

Lu Bu, how dare you touch my lady!

The World's Daily Newspaper

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Herald Tribune



Paris, Saturday-Sunday, April 11-12, 1998

No. 35,803

TODAY
 The Herald Tribune, Paris
'A DAY WE SHOULD TREASURE'

Historic Peace Deal Accepted in Ulster



The Irish prime minister, Bertie Ahern, left, with Prime Minister Tony Blair of Britain in Belfast on Friday.

Hashimoto's Party Blasts Tax Plan

By Mary Jordan
and Sandra Sugawara
Washington Post Service

TOKYO — A day after Prime Minister Ryutaro Hashimoto announced the package of tax cuts that American and other foreign leaders had been urging him to undertake, he found himself facing criticism at home.

Up until the last moments before Mr. Hashimoto went on television to announce the package Thursday, top officials of his own party were warning him against announcing \$30 billion in tax cuts and urging that he wait until there was a clearer consensus about how to rescue the economy.

"I am skeptical about how much additional tax cuts will help the economy," said Koichi Kato, the general secretary of the Liberal Democratic Party, in an unusual rebuke of the party leader after his announcement.

Another top party official, Taku Yamasaki, reportedly told Mr. Hashimoto that if he insisted on announcing the tax cut, he alone would have to take "responsibility" for it. "The die is cast," Mr. Yamasaki ominously said after emerging from a meeting with Mr. Hashimoto shortly before the prime minister told him he would announce the tax cuts.

Mr. Hashimoto had been under enormous international pressure, including from President Bill Clinton, to act more

decisively to stem Japan's dangerous economic slide. The slow consensus-building process within the Liberal Democratic Party has been identified as a prime reason that Japan's economy has continued on a seven-year slide. Mr. Hashimoto has been hamstrung by a divided party and was visibly growing more frustrated as world leaders

urge him to take more forceful action.

Now, Mr. Hashimoto may be isolated within his party and is in an increasingly weak position to take charge. If Mr. Hashimoto does not have the support of the party leadership, it could be more difficult for him to get parliamentary

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Yeltsin Shrugs Off Defeat And Sticks by Kiriienko

By Celestine Bohlen
New York Times Service

MOSCOW — Insisting that he has no other candidate, President Boris Yeltsin of Russia on Friday resubmitted the name of Sergei Kiriienko for the post of prime minister, less than an hour after the 35-year-old political novice and acting prime minister was rebuffed by Parliament's lower house.

Mr. Kiriienko's defeat in the first round of balloting in the Duma had been anticipated, even by the Kremlin itself. Mr. Yeltsin's spokesman, Sergei Yastrzhembsky, described the results of the secret balloting as "acceptable and not bad for a start."

With major opposition parties, including the Communists, refusing even to participate, Mr. Kiriienko's nomination was rejected by 186 to 143, leaving him 83 votes short of the majority needed for confirmation in the 450-seat Duma. But with characteristic understatement, the former banker brushed off his first-round defeat, saying he had expected even less support.

Under the constitution, Mr. Yeltsin has two more chances to persuade the

Duma to approve his nominee for the Russian government's top job. If on the third try his candidate is rejected, the president is empowered to disband Parliament and set new elections — a gamble that few lawmakers, who hold their seats until 1999, are eager to contemplate.

The political drama set in motion March 23 by the president's sudden dismissal of the government headed by Viktor Chernomyrdin is also running into another deadline. Mr. Yeltsin is due to set off on a two-day trip to Japan on April 18 — a visit that has already been postponed once because of the government crisis — and the Kremlin has made clear that it expects a new government to be in place before he leaves the country.

Between now and then, political analysts expect to see some political bargaining among Mr. Yeltsin and the opposition parties that hold a majority in the Duma. The speaker, Gennadi Seleznyov, has called on Mr. Yeltsin to present other candidates, an option that the president explicitly ruled out in a radio address Friday morning.

Defending Mr. Kiriienko as a "pro-

In Belfast's Streets, Hope and Prayer

By James F. Clarity
New York Times Service

BELFAST — The people of Northern Ireland, many of whom barely remember when there was no sectarian killing in this British province, welcomed the prospect of a new peace Friday with cautious hope and, in many cases, prayer.

Ecumenism is not strong in Northern Ireland. Most people live in religious ghettos, their children go to religiously segregated schools, their clergy oppose integrated education. Roman Catholic and Protestant guerrillas are tolerated, sometimes protected, in their communities, particularly after they escape from a deadly attack on the other side. Many Protestants despise the Pope; many Catholics are hostile to the British queen.

Some academics and officials want the outside world to believe that the guerrilla war is a matter of socioeconomic class struggle. Most ordinary people acknowledge that it is a religious war. But in South Belfast, on a cold, sunny day, a quiet group of about 400 Protestants and Catholics joined at noon in a dignified service in Ormeau Park to mark Good Friday and the news that political leaders had agreed on a new peace formula.

The area has been racked in recent decades by Catholics and Protestants murdering each other with bombs and guns. And in recent years it has been the annual site of a Protestant Orange Order parades through a Catholic section, where the residents resisted, sometimes violently. But the parade, scheduled for Monday on the Catholic Lower Ormeau Road coming from the Protestant Ballymaggie area, was canceled by a government-appointed commission, and a few miles away, at Stormont, the politicians were preparing to ratify a new peace agreement.

The Catholics and Protestants in the park listened to a small brass band playing hymns as clergymen used the Good Friday service not only to thank God but to warn that there was still violence in the hearts of many people.

"We need to have your hearts weep over Belfast as Jesus wept over Jerusalem," said the Reverend Jim Campbell,

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A Chance to 'Exorcise Demons of History'

By Warren Hoge
New York Times Service

BELFAST — The Northern Ireland peace talks produced a landmark settlement Friday that forged concessions from fiercely antagonistic Roman Catholic and Protestant figures who are trying to settle one of the century's most enduring conflicts.

In a marathon negotiating struggle that went 17 hours past its deadline and required the personal intervention of Prime Minister Tony Blair of Britain and Prime Minister Bertie Ahern of the Irish Republic, and a last minute telephone call from President Bill Clinton, representatives of eight political parties finally agreed to a fundamental reshaping of the political institutions of this tormented province.

The effort had faltered several times during the long last night and day of dealing and drafting, and it was with as much a spirit of deliverance as one of jubilation that the delegates and a crush of aides in the conference room greeted the declaration by the chairman of the talks, George Mitchell: "I am pleased to announce that the two governments and the political parties of Northern Ireland have reached agreement."

The accord represented the most significant and comprehensive step ever undertaken to put an end to religious hatreds stretching back 300 years and territorial tensions dating from the 1922 division of the island into what is now the predominantly Catholic Republic of Ireland and the predominantly Protestant Northern Ireland, which is a part of Britain.

The settlement is to be put to referendums in the Republic and in the North on May 22.

For the past 30 years, Northern Ireland has known almost perpetual violence, interrupted occasionally by cease-fires greeted with relief and eruptions of joy, only to end abruptly in despair, grief and recriminations. It has become so wearying, familiar to residents of this conflicted place that it is referred to simply as "The Troubles."

"It's a day we should treasure and a day when agreement and accommodation have taken up the place of difference and division," Mr. Ahern said, voicing hope that it would

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AGENDA

•53 Rwandans Die In Attack by Hutu

KIGALI, Rwanda (AP) — An attack by Hutu rebels on a camp for displaced people in Rwanda left 53 people dead and 31 wounded, medical sources said Friday.

Thirty-three civilians and 20 rebels died in the assault Thursday on the Nyarutuwa camp in the Ruhengeri region, the sources said.

The Rwandan Army began a sweep Friday against rebels in the region, close to the border with Uganda, a military source said.

UN halts massacre inquiry. Page 8.

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The IHT on-line www.iht.com

To Our Readers

Because of the Easter holiday, the Herald Tribune will not be published on Monday in Italy or the Netherlands.

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Malaysian police in position Friday at the gates of the U.S. Embassy.

Asylum Clash in Malaysia

Embassies Surrender Dozens of Indonesians

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Several dozen Indonesian immigrants scaled the walls of three Western embassies here Friday and asked for asylum in an effort to avoid being deported in Malaysia's crackdown on foreign workers, but the police were called and most of the immigrants were arrested.

The police entered the compounds of the Swiss and French embassies — and an office owned by the Brunei government — to remove the Indonesians and carry them off in trucks.

But officials at the U.S. Embassy, where eight immigrants scaled the

three-meter walls early Friday, said they needed time before deciding how to handle the requests for asylum.

"This is an issue that requires a certain amount of deliberation and looking into," said Charles Barclay, a spokesman at the embassy. "We don't want to make a hasty decision."

The Kuala Lumpur-based human rights group Suara Rakyat Malaysia condemned the French, Swiss and Bruneians for giving police access to their compounds.

The French Foreign Ministry said Malaysian authorities had assured them that the eight Indonesians who had

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the surplus could be as high as \$100 billion," he said.

Most other private estimates of the surplus are in the range of \$40 billion to \$50 billion, well above the \$10 billion official estimates made earlier this year for the 1998 surplus by the administration's Office of Management and Budget and the Congressional Budget Office.

"We have a round number of \$50 billion," said Robert DiClemente, an economist at Salomon Smith Barney in New York, "but I am itching to raise it."

Official figures available for October through February, the first five months of the fiscal year, and the budget office has made public its estimate of the size of the March deficit. According to those figures, the cumulative deficit for the six months was \$71 billion.

The April 15 tax-filing deadline will

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California Death Row Dilemma: Is Inmate Sane Enough to Die?

By Maria L. La Ganga
Los Angeles Times Service

SAN RAFAEL, California — This was what was supposed to happen: At 12:01 A.M. Tuesday, Horace Edward Kelly Jr., a San Quentin inmate, was to die by lethal injection for the murders of two women and a child.

So far, though, nothing is going as planned. In

fact, there really is no plan.

For the first time in nearly 50 years, a con-

demned man in California faces a jury trial at the 11th hour to decide if he is sane enough to be executed after what his lawyers say was a 12-year descent into madness on death row.

Mr. Kelly was ruled sane when he committed his crimes in 1984 and sane when he was sentenced to death.

This week, jury selection began deciding if Mr. Kelly is still sane enough to die. As the clock ticked toward the scheduled lethal injection, the trial judge granted Mr. Kelly a brief postponement of

execution Thursday, ruling that the state may not kill the killer without a decision on his sanity.

"There are no rules," said Richard Mazer, Mr. Kelly's attorney. "The rules are being written as we go along. The judge could be deciding the rules and the future" of death penalty law in California. "This will be a precedent."

Sanity is a moving target. So is the law. And only one thing is clear when the two intersect: It is illegal — unconstitutional, in fact, a violation of the Eighth Amendment — for an insane person to

be executed. The U.S. Supreme Court said so in 1986.

What the Supreme Court did not spell out, however, was how the mental state of a condemned criminal should be judged on the eve of death, leaving legal minds across the United States struggling to find 50 separate sets of guidelines to define that ephemeral thing called sanity.

The only law in California that addresses this

See DEATH, Page 8

Firmly, Spaniard Helps the Bosnians Take Care of Themselves

By Chris Hedges
New York Times Service

SARAJEVO, Bosnia-Herzegovina — Carlos Westendorp, a Spanish diplomat who is the top international official charged with carrying out the Bosnian peace agreement, was in the presidential palace in Zagreb recently listening to a windy lecture by President Franjo Tuđman of Croatia on European history and the Islamic threat to Western civilization.

Mr. Tuđman, who led his country in fighting the Muslims and the Serbs, told Mr. Westendorp that history would place him alongside Franco as "a savior of Western civilization."

Mr. Tuđman, 61, a bitter opponent of the Spanish dictator, who died in 1975, said: "One of the merits of democracy is that we got rid of savages. We

don't want anyone to take care of us. We can take care of ourselves."

Mr. Westendorp is fighting a new battle in Bosnia, one that is often lost in the incremental steps that elate European technocrats and goes unnoticed by most everyone else. With the blessing of Washington, he now rules Bosnia by fiat and is determined to shatter the monolithic grip on power by the Serbian, Croatian and Muslim nationalist parties that waged the war and control the three partitioned entities.

Nationalist Bosnian Serb newspapers, including *Serb* Celobodenje and Javnost, refer angrily to Mr. Westendorp as "the dictator" and complain of "colonial domination by the West." The Muslim-led government says Mr. Westendorp has forced it to comply with demands of the Dayton peace accords, such as the return of Serbian and Croatian refugees

to Sarajevo, while not putting equal pressure on the Bosnian Serbs.

The recent heavy-handed intervention by Mr. Westendorp has transformed the once largely ceremonial post of high representative into that of a governor general who runs a protectorate that has been promised more than \$5 billion in international aid.

In the last few weeks, decisions on a host of issues as diverse as media licensing, housing and tariff laws and the design for a common flag, have poured out of his office, which is staffed by 212 bureaucrats in central Sarajevo.

The nondescript office block, nicknamed "the presidency," has dismissed elected officials who obstructed peace efforts, appointed international administrators in disputed towns such as Brčko and Srebrenica, designed a new common currency, common license plates, com-

mon passports and a national emblem.

Mr. Westendorp has strayed beyond Bosnia. A week ago he threatened Croatia with international sanctions unless it permitted the return of some 500,000 ethnic Serbs driven from the country during the war. He is also working to find the financial support to unite Serbian, Croatian and Muslim Socialist parties to challenge the ruling nationalist and has pushed for the arrest of Bosnian war criminals.

The draconian measures, endorsed in a conference in December in Bonn by the six nations — the United States, France, Germany, Italy, Britain and Russia — that oversee the Bosnian peace effort, have inched the three factions closer together, although few of the 3 million displaced people and refugees have returned to their homes.

The continued failure to build a com-

try where different ethnic groups can break down the walls of partition and live as neighbors, Mr. Westendorp believes, "is a recipe for another war." One that is most likely to be triggered by the Muslim-led government in Sarajevo, which he said now has the most powerful army of the three factions.

The goal of a united Bosnia is one critics contend is impossible to achieve so soon after the war. Mr. Westendorp concedes that it is "almost impossible."

The decision by international administrators to take over the governing of Bosnia has also raised questions about how the state will work without continued infusions of outside aid and direct international supervision. The peace agreement signed in Dayton in 1995 has so far stopped the fighting but done little to restore cooperation and trust.

"We have become deeply involved in the functioning of the state," said Christian Clages, the head of the political department. "We may not run essential functions from start to finish, but at all levels we must monitor to make sure the work is being done. We have an unprecedented amount of control on the legislative and executive branches of government. We do not know, however, how we will exit, how we will not perpetuate Bosnia's culture of dependency."

Mr. Westendorp, who was the last foreign minister in the Socialist government of Felipe González, grew up chafing under a regime that fused conservative Catholicism and Spanish nationalism, one headed by a general who was escorted into cathedrals under a canopy held by prelates. When Mr. Westendorp, the son of an army officer who was imprisoned by the Republican government during the civil war, joined the Socialist Party as a diplomat 30 years ago, it was a clandestine organization.

"Bosnia suffers from the same phenomena we experienced in Spain," he said. "The church bears a large responsibility for the war. The Bosnians are the same people. They are all Slavs. Religious identity is simply the *raison d'être* for these nationalist leaders to hold onto power, like animals who cling to their turf. We need to build a new set of values, new traditions, new political parties to present competing ideas and culture to overcome these nationalist movements."

The political transformation in Bosnia began last June when Mr. Westendorp took over from former Prime Minister Carl Bildt of Sweden as high representative. Mr. Bildt, deeply frustrated by his inability to move the three Bosnian leaderships, lobbied hard to broaden the powers of the high representative's office. It was Mr. Westendorp who reaped the benefits.

British soldiers from the North Atlantic Treaty Organization-led peacekeeping force occupied the Bosnian Serb city of Banja Luka in July, taking over all public buildings and handing them to Biljana Plavšić, the Bosnian Serb president and chief rival of the hard-liners based in Pale.

Next came the arrests of war-crimes suspects by peacekeepers and the forced dissolution of the Bosnian Serb special police units, the main prop that enriched and empowered the Bosnian Serb nationalists in their stronghold of Pale.

Mr. Westendorp has lately begun to deliver deadlines and ultimatums to erode the partition. He has told the Sarajevo government, which seized the apartments of tens of thousands of ethnic Croats and Serbs after the war, that it has until the end of the year to return 20,000 people to their homes.

BRIEFLY German Poll Backs A Grand Coalition

BONN — If the opposition Social Democrats win the September elections, more Germans would prefer a grand coalition between them and their conservative rivals than would like the Social Democrats to govern with the environmentalist Greens, a survey released Friday indicates.

It showed that 35 percent would favor a coalition of the left-leaning Social Democratic Union and Christian Social Union, 45 percent to 35 percent, a one-percentage-point drop in a week for Social Democrats and a one-point gain for the governing parties, with support for the Greens unchanged at 6 percent and the Free Democrats at 5 percent. (Reuters)

Italy Police Officer Linked to Ransom

BRESCIA, Italy — A senior paramilitary police officer was suspended from duty Friday pending an inquiry into allegations that he profited from the release of a businessman held for more than seven months by kidnappers on Sardinia.

Francesco Delfino, national head of the Carabinieri police schools, is suspected of accepting about 1 billion lire (\$350,000) from the family of the victim, Giuseppe Soffiantini.

News organizations, citing judicial sources in Mr. Soffiantini's home city, Brescia, alleged that Mr. Delfino was paid for finding a go-between to negotiate the release for 5 billion lire in ransom. (Reuters)

New Prime Minister Named in Armenia

YEREVAN, Armenia (AP) — Former Finance Minister Armen Darbinyan was appointed prime minister Friday.

Mr. Darbinyan, 33, was deputy chief of the Armenian central bank from 1994 until 1997, then was appointed finance minister. He has 10 days to form a cabinet. (AP)

Latvia Schedules Citizenship Debate

RIGA, Latvia — Proposals for changing Latvia's citizenship law, the cause of an escalating dispute with Russia, will be debated by lawmakers next week, the Baltic News Service reported Friday.

All people born in Latvia could become citizens by 2001 under the proposals, though proficiency in the Latvian language would still be required. (AP)

20,000 Stage Independence Sit-Down in Kosovo Capital

The Associated Press

PRISTINA, Yugoslavia — About 20,000 ethnic Albanians flooded the main street of the Kosovo capital on Friday, carrying out a sit-down protest to buttress their demands of independence from Serbia.

Many in the crowd flashed the two-fingered victory sign. Others clapped. Some carried posters of Ibrahim Rugova, the ethnic Albanian leader, while others waved Albanian flags.

Six girls wearing T-shirts, each with one letter spelling out KOSOVA, the Albanian version of the province's name, were at the head of the broad column of protesters.

Except for traffic patrols, no police were in sight. On Thursday, riot police blocked the main street of Pristina, the provincial capital, preventing protesters from marching.

The protest Friday ended peacefully about an hour after it started. It came a day after organizers of several peaceful demonstrations over the past few months urged ethnic Albanians to carry out daily brief "walk-throughs" in the center of the city to back their quest for independence.

Serbia has ruled Kosovo Province with a massive military and police presence since abolishing its autonomy in 1989. More than 80 people were killed in a police sweep against alleged separatists last month, in a region west of Pristina.

The police are seeking to destroy the so-called Kosovo Liberation Army, a loose organization of militants who have claimed responsibility for the deaths of dozens of Serbs and ethnic Albanians loyal to Serbia since surfacing in 1996.

Serbian radio in Pristina reported what appeared to be a new attack by the group on Friday. It said Adem Dugna, a pro-Serb ethnic Albanian politician, was seriously wounded in an overnight ambush on a road south of the provincial capital.

Three others in the car, a member of the Serbian Parliament and two officials of Mr. Dugna's Socialist Party, escaped injury.



Part of the site where more than 100 people making the hajj to Mecca were killed in a stampede on Thursday.

Saudis Say 700,000 Pilgrims Thronged Site of Stampede

The Associated Press

MECCA — Muslim pilgrims surging forward to take part in an Islamic ritual ignored instructions from security forces, setting off the stampede that left more than 100 people dead, Saudi officials were quoted as saying Friday.

The victims, most of them elderly, were trampled or plunged to their deaths during the chaos Thursday in Mina, about five kilometers (three miles) from Mecca.

Doctors in hospitals and clinics in Mecca and Mina said that 180 people were killed as pilgrims rushed forward to take part in the "stoning of the devil" ritual. The official Saudi Press Agency, however, put the death toll at 118.

More than 250 people were injured and many are in critical condition with severe internal bleeding, the doctors said, speaking on condition of anonymity.

General Ahmad Bilal, director-general of public security, said that 700,000 pilgrims were crowding by the site of the stoning at midday Thursday, when

people began to press forward. "The number was frightening and the crowd advanced like a torrent," he said.

He added that some security officers who tried to control the crowd had been trampled and hospitalized.

An Egyptian pilgrim said that some people had been crushed against meter-high (three-feet-high) concrete blocks by the entrance to the walkway before the pillars that are stoned.

He added that some pilgrims in the front rows of the walkway were seated when the police ordered them to move forward. Pilgrims in the back rows surged ahead, trampling many of the pilgrims in front, he said.

The Saudi pilgrimage minister, Mahmoud Safar, said that the deaths were due to "fate and destiny," adding that the pilgrims had neglected to follow instructions, the Saudi Gazette reported.

According to Muslim belief, those who die during the annual Islamic pilgrimage, the hajj, go to heaven.

French Court Bans Le Pen's Unions

Agence France-Presse

PARIS — The far-right party of Jean-Marie Le Pen came under attack Friday on two fronts, with France's highest appeal court banning it from setting up its own unions and a center-right party leader seeking to prevent the party from receiving state funds.

The Cour de Cassation, in upholding a lower court ruling, said that unions set up by the National Front were illegal since their aim was to further the agenda of a political party.

Such unions would promote the Front's ideas, which are based "on race, color, background, ancestry and national and ethnic origin," the court said.

Claude Gaosguen, secretary general of the center-right Union for French Democracy, submitted draft legislation calling for a constitutional ban on public financing of the National Front.

WEATHER

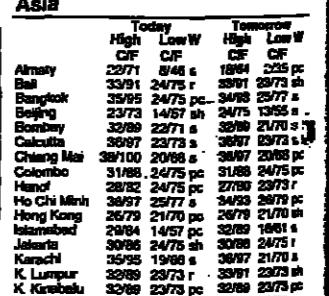
Europe Forecast for Sunday through Tuesday, as provided by AccuWeather.



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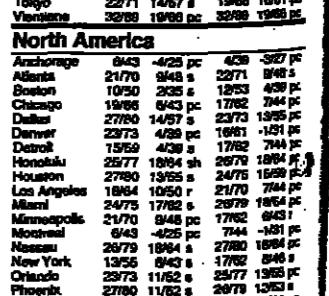
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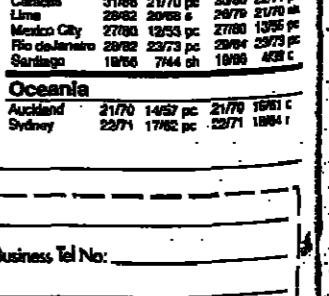
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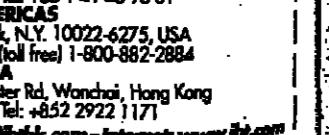
Latin America



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German Poll Backs
A Grand Coalition

BONN — If the opposition's Social Democrats win in the September elections, more Germans see them as a grand coalition better than their conservative rivals that would like the Social Democrats to govern with the center-right Greens, a survey released Friday indicates.

It showed that 35 percent favor a coalition of the left-wing Social Democratic Union, Chancellor Helmut Kohl's Christian Democratic Union, about 20 percent said they would favor a alliance of the Social Democrats and the Greens, and 22 percent they would rather the Social Democrats work with the pro-market Democrats.

In a separate survey, it was found that the Social Democrats were leading the Christian Democrats, 45 percent to 35 percent, one-party supporters drop a few percent, while the Greens' support for the government, with support for the Greens at 15 percent and the Social Democrats at 5 percent.

Italy Police Officer
Linked to Ransom

BRESCIA, Italy — A paramilitary police officer was arrested Saturday. Friday, police arrested 10 men, including 45 percent to 15 percent, one-party supporters drop a few percent, while the Greens' support for the government, with support for the Greens at 15 percent and the Social Democrats at 5 percent.

Thus, for the first time, it obliges the independent counsel to address in a for-

Pressure on Whitewater Prosecutor

Justice Department Raises Possibility of a Conflict of Interest

By Roberto Suro
and Susan Schmidt
Washington Post Service

WASHINGTON — The Justice Department has urged the independent counsel, Kenneth Starr, to investigate allegations that David Hale, a key witness in the Whitewater investigation, was paid off by a wealthy conservative activist.

But Mr. Starr was also alerted that he himself might face a conflict of interest because of his own possible links to the conservative activist, Richard Mellon Scaife.

The Justice Department's action requires Mr. Starr to determine whether he faces a conflict or even the appearance of one in investigating the charges regarding Mr. Hale because of Mr. Scaife's potential involvement.

Thus, for the first time, it obliges the independent counsel to address in a for-

POLITICAL NOTES

Democrats' Debt
Down to \$7 Million

WASHINGTON — The Democratic National Committee has announced it has paid off its once-mounting debt to less than \$7 million, a level party leaders said would allow Democrats to be competitive in this year's congressional elections.

The committee had piled up a huge debt during the 1996 elections and the congressional and Justice Department investigations that came in their aftermath. The party spent \$12 million on legal costs alone to deal with the fallout from 1996 fundraising, including \$2.5 million still owed to its law firm, Debevoise & Plimpton. The committee expects to incur as much as \$1.4 million in additional legal bills this year.

At its height last September, the party's net debt, the amount it owes in loans and bills minus its cash on hand, was \$15.3 million. As of March 31, that number had been cut by more than \$8 million. On its Federal Election Commission report filed Thursday, the party said it had total debt of \$9.3 million (\$2.6 million in loans and \$6.7 million in owed bills). The committee has cash on hand of \$2.6 million, leaving a net debt of \$6.7 million. "Many people wrote us off," said Steve Grossman, the national chairman. "I think we're back." (WP)

Government Does
Its Bit on Welfare

WASHINGTON — Vice President Al Gore says the government has hired more than 3,600 welfare recipients through its "welfare-to-work" initiative and called on federal contractors to voluntarily join in the effort to "replace welfare checks with paychecks."

A year ago, hoping to jump-start the nation's effort to move large waves of welfare recipients into the work force, President Bill Clinton announced that the federal government would do its fair share by hiring 10,000 welfare recipients by the year 2000.

Mr. Gore, speaking Thursday at the Old Executive Office Building, urged every federal agency to encourage their contractors and suppliers to recruit, mentor and train welfare recipients.

"We do have a long way to go, so let's redouble our efforts," Mr. Gore said at a gathering of contractors and administration officials. (WP)

Quote/Unquote

Lucianne Goldberg, a New York book agent and friend of Linda Tripp, on Ms. Tripp's dismissal of one of her lawyers, James Moody, in a squabble over media appearances after her expected grand jury appearance in the Monica Lewinsky investigation: "He's been promising her to the media when he hadn't run it by her." (WP)

A Negative View in Quebec
Court Rules Paper's Random Photo Violated Privacy

OTTAWA — News photographers in Quebec who take pictures of ordinary people outdoors and then publish them violate their subjects' right to privacy, Canada's Supreme Court has ruled.

The case centered on Gilbert Duclos, who photographed a teenager, Pascale-Claude Aubry, relaxing on the outside steps of a building on a Montreal street 10 years ago.

The defunct Montreal magazine *Vice-Versa* published the shot in an edition about life in such cities as Montreal and Vancouver, and she successfully sued because she said her classmates had laughed at her.

"In our view, the artistic expression of the photograph, which was alleged to have served to illustrate contemporary urban life, cannot justify the infringement of the right to privacy it entails," the court said Thursday in a 5-2 decision.

mal manner long-standing concerns raised by President Bill Clinton's supporters that he is tainted by partisan associations.

In a letter to Mr. Starr, Deputy Attorney General Eric Holder Jr. said that if Mr. Starr believes he has a conflict over the matter he could refer the allegations back to the Justice Department, which then would conduct an investigation.

Mr. Hale provided testimony that helped bring convictions against Mr. Clinton's partners in the Whitewater real estate venture, Mr. Starr's most successful prosecution thus far.

Under a cooperation agreement with the independent counsel, he also has alleged that Mr. Clinton was directly involved in a fraudulent loan scheme when he was governor of Arkansas.

Last month, in response to news reports, the U.S. Attorney's Office in Fort Smith, Arkansas, and the FBI began investigating allegations that Mr. Hale had received money from individuals associated with Mr. Scaife, a Pittsburgh millionaire who has openly financed efforts to turn up scandalous information regarding the president. Hillary Clinton and their close friends.

Mr. Scaife was the major financial backer for a new school of public policy at Pepperdine University in California that Mr. Starr announced last year he was resigning from.

Mr. Starr reversed his decision four days later under fire for what critics perceived as selfish indifference to an important civic obligation.

After more than a week of deliberating over how to handle the matter, the Justice Department informed Mr. Starr on Thursday that federal prosecutors in Arkansas had conducted a preliminary inquiry into information

suggesting that Mr. Hale "may have received cash and other gratuities from individuals seeking to discredit the president during a period when Mr. Hale was actively cooperating with your investigation."

Mr. Holder said in his letter that the Justice Department had confirmed "that the information warranted further investigation" and that Mr. Starr had jurisdiction over the allegations — which, if proven, could amount to witness-tampering and other serious crimes.

The money allegedly originated with Mr. Scaife, a virulent critic of Mr. Clinton who bankrolled several anti-Clinton investigative projects and gave more than \$1 million through his foundations to the American Spectator, a magazine that first published a number of allegations against Mr. Clinton, including those that led to the Paula Jones lawsuit.

Parker Dozher, a longtime friend of Mr. Hale's, said in recent media interviews that he received money from the American Spectator to help with his Whitewater coverage and in turn gave cash to Mr. Hale while he was cooperating with Mr. Starr's Whitewater investigation. Mr. Dozher's former girlfriend, Caryn Mann, has said that Mr. Hale gave Mr. Dozher detailed reports about the progress of Mr. Starr's inquiry.

A spokesman for Mr. Starr's office said the Justice Department letter had just been received and that there would be no immediate comment on it.

Mr. Scaife financed an investigation into whether the 1993 death of the deputy White House counsel, Vincent Foster Jr., resulted from foul play, and has been highly critical of Mr. Starr's office for an investigation that concluded Mr. Foster had died by suicide.



FLEEING TO SAFETY — A police officer helping a student flee from a school for troubled youngsters in Pocatello, Idaho, during a five-hour standoff with an armed student, 14. Nobody was injured and the student gunman surrendered after officers delivered his demands for pizza, soda and cigarettes.

Away From Politics

• Vice President Al Gore headed to the suburbs of Birmingham, Alabama, and to Georgia to tour areas struck by tornadoes that killed at least 44 people in four states. Authorities said at least 32 people were killed in Alabama. Local media reported 10 people died in Georgia. One person was killed in Mississippi and another in North Carolina. (Reuters)

• The federal agency that oversees workplace health says that employers must provide restrooms and allow workers to use the facilities as needed. In some jobs, such as food processing,

causing similar cancers of the mouth, esophagus, larynx and lungs. A National Cancer Institute report also said that regular cigar smokers who inhale have an increased risk of coronary heart disease and chronic obstructive pulmonary disease. (AP)

• Ross Perot's computer services company has revoked health coverage for partners of newly hired gay employees. Mr. Perot, chairman of Perot Systems, said that his decision reflected his fear that heterosexuals would falsely claim relationships to win these benefits. "It has nothing to do with gay rights," he said. (NYT)

Judge Questions Starr Subpoenas on Lewinsky's Book-Buying

By David Streitfeld and Bill Miller
Washington Post Service

WASHINGTON — A U.S. District Court judge has set a high bar for the independent counsel, Kenneth Starr, saying he will have to show "a compelling need" if he is to get the titles of books bought by Monica Lewinsky.

In a six-page order, Judge Norma Holloway Johnson declared that Ms. Lewinsky's "First Amendment rights are at issue here."

Last month, Mr. Starr subpoenaed records of book purchases by the former White House intern, a central figure in the perjury investigation of President Bill Clinton.

In his deposition in the recently dismissed sexual harassment lawsuit brought against him by Paula Jones, a former Arkansas state employee, Mr. Clinton said that Ms. Lewinsky had given him one

or two books, a statement Mr. Starr is trying to corroborate. Mr. Starr subpoenaed two Washington book stores, Kramerbooks and Barnes & Noble, for records of books Ms. Lewinsky bought there over a 28-month period.

Judge Johnson wrote that "the bookstores and Ms. Lewinsky have persuasively alleged a chilling effect on their First Amendment rights."

The subpoena on Kramerbooks also had a chilling effect on the store's business, the judge wrote, noting that after the store was reported to be cooperating with Mr. Starr, "many customers" told its staff they would no longer shop there. A group of librarians also picketed the store, which later joined Barnes & Noble in challenging the subpoena.

Prosecutors said at a hearing before Judge Johnson last week that they wanted the records of Ms. Lewinsky's 4 purchases at Kramerbooks and 12

purchases at a store of the Barnes & Noble chain to help establish the nature of her relationship with Mr. Clinton. Mr. Starr is seeking to determine whether Mr. Clinton or others may have urged people to lie under oath to cover up an affair that is alleged to have occurred between Mr. Clinton and Ms. Lewinsky.

But Judge Johnson gave Mr. Starr until Thursday to show a "sufficient connection" between the records he is seeking and his grand jury investigation. Sources said that Mr. Starr's office sought more time and now has until Monday to respond.

Arthur Spitzer of the American Civil Liberties Union said the order would make it difficult for the government to enforce the subpoena the way it was written. "If I were the government," he said, "I would withdraw the subpoena and issue a much narrower one." A narrower subpoena, for example, could seek to confirm that Ms. Lewinsky bought a specific title.

■ Republicans Consider Calling Starr

Anticipating a formal report from Mr. Starr, Republicans in the House of Representatives are considering a plan to have the independent counsel testify before Congress about any evidence of impeachable offenses that he turns up against the president. The Associated Press reported.

Republican officials said that under this proposal Mr. Starr would be called to explain his findings before a panel of lawmakers. The Republicans are in control of the House.

These officials cautioned that no decisions had been made, and even if the lawmakers decided to go ahead, numerous details remained to be worked out.

These include whether such a session would be open to the public, and what kind of questioning Mr. Starr himself would be subject to.

Clinton Pledges to Fight for Tobacco Bill

In Kentucky, President Is Unfazed by Cigarette Makers' Refusal to Prolong Talks

By David E. Rosenbaum
New York Times Service

CARROLLTON, Kentucky — President Bill Clinton has vowed that he will continue to fight for tobacco legislation despite the intransigence of the cigarette manufacturers, and he promised the residents of this tobacco-growing community that their livelihoods would not be threatened by the bill.

"We don't have to wreck the fabric of life in your community," he declared Thursday in a speech in the Carroll County High School gymnasium. "But even in tobacco country, we can't deny what the scientists have told us or what has been done to market tobacco to children."

Mr. Clinton's visit here, a rural area about 40 miles (65 kilometers) southwest of Cincinnati, was scheduled long before the leading American cigarette manufacturers announced Wednesday that they had cut off discussions with the White House and Congress about legislation to regulate tobacco because they could see that the direction the political process was heading was unfavorable to the industry.

The president seemed undaunted by the companies' announcement. "I am going to do my dead-level best to get legislation passed this year," he said.

One reason for Mr. Clinton's visit, aides said, was to exploit a widening rift between tobacco growers and cigarette manufacturers and to convince the farmers that the companies' legislative

interests were not theirs. The settlement the tobacco companies reached last June with state attorneys general did not address what would happen to tobacco farmers and their communities if the demand for tobacco dropped.

Mr. Clinton, however, has made this a priority from the beginning. With his support, the bill approved last week by the Senate Commerce Committee would set aside money and provide other protections for farmers. To the displeasure of the manufacturers, the bill includes provisions to keep the price of tobacco high.

Part of Mr. Clinton's route to the high school was lined with protesters carrying signs like "Tobacco pays my bills." Many, if not most, of them had been organized and funded here by Brown & Williamson Tobacco Corp., the company based in Louisville that makes Lucky Strike and Kool, among other brands of cigarettes.

Before the speech, the president had a give-and-take session with farmers and others at a warehouse where nearly \$1 million worth of tobacco was sold Wednesday.

Bill Sprague, president of Kentucky Farm Bureau, the largest organization of farmers in the state, said the 60,000 tobacco farmers in Kentucky earned about \$1 billion a year. It is the state's most profitable crop per acre.

The most striking remarks came from Mattie Mack, a farmer from Brandenburg, near Louisville.

"My four children did not smoke," she told the president. "I don't smoke. My husband

don't smoke. And we are against children smoking, Mr. President, but we shouldn't be penalized on account of children smoking."

She continued: "Tobacco has been good. We paid for our farm off the tobacco. We educated our kids off of tobacco. We paved our old driveway with blacktop on tobacco. We pay our property taxes. We pay our preacher on Sunday morning. We pay for our fertilizer. We overhaul our tractors and our wagons, and we buy tires. We pay our insurance. And we pay the man to help us on the farm. And we pay his Social Security, and we pay his Medicare. And we just try to live right and do right on tobacco."

Despite such emotion, Mr. Clinton was in the kind of setting where he thrives. He looked the skeptics in the eye and seemed to have won many of them over when he offered what has become one of his favorite lines: "We have no interest whatever in putting the tobacco companies out of business. I just want to get them out of the business of selling tobacco to children."

A section of the Commerce Committee bill, written by Senator Wendell Ford, Democrat of Kentucky, who was the president Thursday, would allow the government to buy out tobacco farmers who wanted to leave the business. Financial assistance would be given to those who stayed on the farm and to communities suffering because of a drop in tobacco sales.

Most important from the point of view of Kentuckians, the measure would leave in place the government's tobacco program.

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In Belfast, as Some Tear Walls Down, Others Work to Raise Them

By Warren Hoge
New York Times Service

BELFAST — While politicians were frantically putting the finishing touches this week to the historic settlement aimed at bringing Protestants and Roman Catholics in Northern Ireland together, surveyors in a bleak Belfast neighborhood scarcely a few miles from the negotiations were busy building a new wall separating them.

With the peace process moving into the critical next phase of referendums in May in Ireland and Northern Ireland, the elemental and persisting dilemma of this conflicted province remains that for all the people who want to tear down barriers, there are still people eager to raise them.

They range from political activists who believe the proposals shortchange their communities' interests to fighters in breakaway paramilitary gangs who have no interest in the peace process

ULSTER: Agreement Accepted

Continued from Page 1

"exorcise the demons of history." Mr. Blair said Friday he hoped the agreement would lift the "burden" of Northern Ireland's tortuous past.

Looking ahead to the votes and the effort required to put into place Friday's plan, Mr. Blair said, "I stress that this is the beginning of a process of change where people can work together in ways that they haven't been able to before."

Mr. Clinton called the agreement "the best chance for peace in a generation."

"In the days to come, there may be those who will try to undermine this great achievement, not only with words but perhaps also with violence," Mr. Clinton said. "All the parties and all the rest of us must stand shoulder to shoulder to defy any such appeals."

Gerry Adams, president of Sinn Fein, the political wing of the Irish Republican Army, called the announcement "part of our collective journey from the failures of the past," but he said he still worried about the "huge gap of distrust" between Northern Ireland's two communities.

David Trimble, leader of the Ulster Unionists, the largest Protestant party, who has refused to speak directly to Mr. Adams during the months of talks, said he would continue to snub him until "he stops that dirty squallid little war."

It was a last-minute objection from Mr. Trimble and his party that nearly scuttled the negotiations Friday afternoon and brought a phone call of reassurance from Mr. Clinton, requested by Mr. Blair, over guarantees being sought by the Ulster Unionists covering the ultimate disarmament of paramilitary groups.

During the early hours of the morning, it was the representatives of Sinn Fein who said they were unhappy with so many provisions under discussion that they were not disposed to sign the agreement.

What the negotiators from the 21 months of talks produced was a framework for sharing power designed to satisfy Protestant demands for a reaffirmation of their national identity as British, Catholic desires for a closer relationship with the predominantly Catholic Republic of Ireland and Britain's wish to return to Northern Ireland the powers London assumed in 1972 when the local

at all and struggle to undermine it with savage and random bloodshed. Their motives and tactics may be different, but their common objective is to see the peace proposals voted down, and the governments of Britain and Ireland, the sponsors of the talks, are taking the threat seriously.

Ian Paisley, the longtime militant Protestant leader who kept his Democratic Unionist Party out of the talks, chastised Protestant parties that did sign up, saying,

"The people of Northern Ireland at the referendum will totally and absolutely reject you and what you are attempting to do."

The 5.5-meter-high (18-foot-high) fence topped with concertina wire demarcating Protestant and Catholic communities in the Whitewell area of North Belfast, like the 30 other reinforced concrete and steel barriers snaking through the middle of Belfast, is called a "peace line," a name that is more than just a grim euphemism. In fact, the only peace that Belfast has known has been, like

these walls, intermittent and imposed, and have served to reinforce rather than reduce the divisions in a society whose natural tendencies run to snubs and alienation.

It is a remarkable achievement that there have been sustained talks and a

resulting peace agreement, given the history of Ulster's contentious politics, its deep distrust of any notion of cross-community partnership and the tribal violence that has claimed more than 3,200 lives since 1969, 18 since Christmas and the most recent one three days ago.

The coming challenge of obtaining support from the war-weary but mis-trustful population of Northern Ireland in the referendum May 22 is as fraught as the just-ended peace talks, and an intense campaign is being mounted to in-

fluence the outcome. "The Choice Is Yours" say billboards picturing a young couple walking on a beach at sunrise that are going up all over Northern Ireland.

The slogan is meant to underline the notion that the solution is not one that outsiders are forcing on this tempe-

scale effort at persuasion. "We are planning a public information campaign to inform people about the referendum, maximize awareness of it and communicate a sense of its importance," said David Lyle, chief executive of the Belfast office of McCann-Erickson, the advertising agency responsible.

The vote to approve is expected to go smoothly in the Republic of Ireland where a poll last month showed that only 16 percent objected to the principal Irish concession, a decision to abandon the territorial claim to Northern Ireland in its

constitution.

Officials are bullish about the outcome in Northern Ireland in public but privately worried about the risks. Their concern focuses particularly on Protestants, who have been reluctant participants in the process and wary of its consequences. It is a population already fatalistic about the rise in the numbers of Catholics and the growth of a Catholic middle class moving into public life, professions and residential areas, the

Protestants long dominated. In two past attempts at redressing the political power balance in Northern Ireland and giving the Irish government a say in the conduct of the province, the Sunningdale agreement of 1973 and the Hillsborough Anglo-Irish Agreement of 1985, it was Protestant politicians who protested the loudest. Their fear of Dublin's involvement is even greater now that Ireland has emerged as an independent European country with a booming economy and a self-confidence notably missing in the North.

In the last vote, the national election of May 1997, the Northern Ireland vote was 61 percent Protestant and 37 percent Catholic, a significantly wider spread than the percentages, 53 and 47 respectively, of the population.

Of the 1.2 million voters, 215,000 are between the ages of 18 and 24, people who have never known anything but the violence that has tormented Northern Ireland since 1969. "There's a terrible phrase people use here," said Mr. Lyle, "and it is that people can become anesthetized to violence."

Another worry is the power of Mr. Paisley. He agitated against the talks from the outset, saying with characteristic bombast, that he would "set the winds on fire" against them in a series of rallies across the province. The protest fizzled and his party has lost clout in Northern Ireland by staying outside the talks, but his personal power to attract votes and stir passions remains formidable.

In recent days Mr. Paisley has been outside the Stormont Castle Buildings, the drab social security headquarters housing the talks, attacking David Trimble, leader of the largest Protestant party, the Ulster Unionists, as a "traitor" to their community's cause. He has already characterized the get-out-the-vote campaign as "a deceitful and filthy plan which makes Machiavelli look like a rank amateur."

The Northern Ireland Office of the British government has advised campaigners to suppress unfavorable poll results and put a rosy glow on troublesome passages of the settlement. "The focus should be on selling the concept of an agreed future," a leaked memo said, "rather than its precise details."

The campaign is going to focus on areas like four districts east of Belfast where middle-class Protestants expected to favor the settlement voted in disappointing numbers in May out of apparent apathy. The campaign to assure a good turnout will go slower among youths and in deprived areas where planners think people tend to take harder positions.

"We are going to concentrate on older people in general, people who can remember pre-1969 when things weren't so ghettoized," said an organizer from Belfast. "Younger voters in Northern Ireland tend to see things very black and white, much more simplistically."

No one supposes that the accord puts an end to the violence, and many people expect the immediacy of the vote will make the violence-prone even more inclined to bomb and kill.

British intelligence is reporting rising numbers of young people joining the fringe paramilitary groups, and officials note with concern that some of the equipment and techniques involved in recent terror acts committed by splinter groups exceed their capabilities. They conclude that mainstream groups pledged to cease-fires are lending assistance.

"While they adopt a public posture of being sweet and innocent, they may not have abandoned the tactical use of violence to drive home a point," a British official said.



Former Senator George Mitchell announcing Friday the historic accord he helped hammer out in Belfast.

Stormont legislature was disbanded. Under the agreement, there will be a new democratically elected legislature in Belfast, a new ministerial council giving the governments of Northern Ireland and Ireland joint responsibilities in areas like tourism, transportation and the environment, and a new consultative council that twice a year will bring together ministers from the British and Irish parliaments and the three assemblies being created here and in Scotland and Wales.

The Irish government will move to eliminate its territorial claim on Northern Ireland from its constitution.

The critical issues of police and judicial-system reform, the release of paramilitary prisoners, and the dismantling of the vast underground arsenals of weaponry in the province will be submitted to new commissions for study and recommendations.

In the wary and vengeful political atmosphere of Northern Ireland, Protestant leaders must now assure their fol-

lowers that the agreement does not represent the beginning of the integration of their province into Ireland, that the new cross-border council is not the embryo of the all-Ireland government that they fear. And Catholic leaders must persuade their constituents that the pact does not represent abandonment of the long-term goal of union with the Republic and does not constitute ratification of the permanent partitioning of the island.

In the parlance of Northern Ireland, Catholics are referred to as republicans or nationalists, Protestants as unionists or loyalists.

Catholics date their resentment of the dominant Protestants to the British creation of plantations here in the 17th century that deprived the native Irish of some of their best land and drove them into subservience. When Protestant power came under serious challenge three decades ago, loyalist paramilitary groups arose to combat the IRA, and the province entered its bloodiest period. Since 1969, 3,248 people, by official

count, have died in bombings, shootings and massacres.

The talks took place in drab civil service buildings on the grounds of the old Stormont Parliament, the Protestant-controlled legislature that ran Northern Ireland until its disbandment in 1972, when authority passed to London. A broad-faced imperial statehouse commanding a high hillside at the end of a sweeping entryway, it represents to Catholics the triumphalist sway they feel Protestants exercised in Northern Ireland for the 50 years it existed.

Participating in the talks were 8 of Northern Ireland's 10 political parties, some of them admitted only after paramilitary forces they represented adopted cease-fires. Two of them, the Ulster Democratic Party, which represents a Protestant force, and Sinn Fein were obliged to leave the talks for weeks because of evidence that some of their armed people had been involved in sectarian killings after Christmas. Both were readmitted.

Scientists Swing Into U.S. Debate Over Evolution

By Rene Sanchez
Washington Post Service

WASHINGTON — Fearful that many schools are buckling to new pressure from Christian conservatives not to teach evolution, the National Academy of Sciences has declared that the subject must be a vital part of science instruction and that lessons on creationism do not belong in those classes.

In an unusual move, the academy is issuing an elaborate guidebook for teachers that details how evolution should be discussed with students and how sensitive questions, including those from parents, can be answered. The book calls evolution the most important concept in modern biology, but contends that students are receiving little exposure to it because teachers are being bullied into silence by religious groups.

"We are finding that more teachers

Guidebook for Teachers to Counter Creationism

are reluctant to teach about this central idea," said Bruce Alberts, the academy's president. "Our hope is that this will help them."

Today, more than 70 years after the historic trial and conviction of John Scopes for teaching evolution in a Tennessee school, there are again growing campaigns across the country to limit or prohibit discussion of the subject in science classes. Several school boards have ordered teachers to give equal time to creationism, and lawmakers in a few states want to remove the term evolution from their science curricula altogether. In Alabama, biology textbooks now include a disclaimer telling students that evolution is only a controversial theory.

Few issues in education are older or

more contentious. Many Christian conservatives want schools to teach students that God created the Earth in six days, as described in the Bible. Or they at least want to view to be given the same credibility as the theory of evolution, which holds that life on Earth developed over billions of years.

But the nation's scientific community, backed by a 1987 Supreme Court ruling on the issue, has long argued that public schools should ban discussions of creationism because it is a purely religious concept not supported by scientific evidence.

The National Academy of Sciences is a nonprofit group chartered by Congress to give the nation guidance on important scientific matters. Although school districts are not required to accept its advice, since matters of curriculum are controlled locally, the academy's guide could provide a powerful tool to educators who want to continue teaching evolution.

Many of them welcomed the academy's leap back into the debate. "This is a very real problem for teachers," said Wayne Carley, the president of the National Association of Biology Teachers. "And it's definitely on the increase."

Some religious conservatives, however, scoffed at the academy's stance and said the decision to teach evolution or creationism, or both, should strictly be a local one. "We believe communities have the right to have their values reflected in the curriculum," said Ann Owens, a spokesman for the Christian Coalition. "Public schools are harmed when they exclude important, legitimate points of view."

MALAYSIA: Embassies Surrender Dozens of Indonesians Who Scaled Fences for Asylum

Continued from Page 1

entered its embassy were illegal workers, Reuters reported from Paris. "They were social and economic refugees and therefore not political refugees," a ministry spokesman said.

"The embassy tried to convince them to leave for two hours, after which the police were allowed in," the spokesman said, adding that the Malaysian security forces had acted with the "greatest humanity."

Malaysia has been trying to rid the country of thousands of illegal immigrants, most of them fleeing Indonesia's economic crisis, and several weeks ago the government began high-profile campaign called Operation Go Away. The campaign has been marred by setbacks, including a riot late last month when Indonesians at a detention center outside Kuala Lumpur burned down half the complex and killed a police officer. The police retaliated, killing eight of the inmates.

Several days after that riot, 12 Indonesian immigrants crashed a truck through the gates of the office here of the United Nations High Commissioner for

refugees and requested asylum. They have remained in the compound, sleeping on the lawn outside the UN building, as their request is processed.

Like the immigrants waiting in the UN agency compound, those seeking asylum Friday at the U.S. Embassy told staff members that they were from a region in northern Sumatra called Aceh, where separatists are waging a campaign for independence.

Hundreds of Acehnese fled to Malaysia several years ago to escape fighting between the Indonesian Army and Aceh

rebels; many Acehnese say they will be persecuted if they are sent back home.

Malaysia does not consider the illegal immigrants refugees. "To us, this is a very clear issue," Deputy Prime Minister Anwar Ibrahim said Thursday. "They have all been economic immigrants and claims that they were political refugees only surfaced in the last few weeks."

The Malaysian foreign minister, Abdullah Ahmad Badawi, asked Friday why the UN High Commissioner for Refugees should be involved in the issue, said: "We know they came here

when Indonesia is facing an economic crisis. That is the push factor."

A Western diplomat said the UN agency had not been given access to illegal immigrants held in detention centers around the country, making it difficult for the organization to judge claims by many of the detainees that they will be persecuted if they return to Indonesia.

"If that procedure has been adhered to perhaps we wouldn't have the situation we have today," the diplomat said.

Sadako Ogata, the High Commissioner for Refugees, last month urged Malaysia to stop deporting the Acehnese.

"We are very worried," she said, "since genuine refugees in need of international protection may well be among those sent back by Malaysia."

She added, "I regret that our repeated requests for access to the detention centers have not been granted."

Despite the recent setbacks, Kuala Lumpur has vowed to speed the deportations. The government says there are 800,000 illegal foreign workers in Malaysia. Unofficial estimates put the number as high as 1.5 million.

Scientologists Ask Bonn to 'Cease' Policies

The Associated Press

WASHINGTON — The Church of Scientology on Friday again called on Germany to end its "discriminatory policies" against the organization after a German security agent was arrested in Switzerland, apparently as he was trying to spy on Scientologists there.

In a letter to the German Embassy in Washington, the group said the government in Bonn should "cease and dis-

close all such activity against Scientology in the U.S. and in the more than 100 countries where Scientology churches and missions exist around the world."

In Basel on Monday, the authorities detained a German official who was allegedly trying to collect information on the group. Germany considers the organization a business that engages in coercive activities and bilks its members through fake counseling sessions.

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Mr. Kiriyenko has already indicated that four key ministers would remain in their jobs — Foreign Minister Yevgeni Primakov, Defense Minister Igor Sergeyev, Interior Minister Sergei Stepashin and Finance Minister Mikhail Zadornov.

RUSSIA: Kiriyenko Snubbed

Continued from Page 1

had used Mr. Kiriyenko's youth and inexperience as the opening salvo in what is widely seen as a broader attack against the government's politics of economic reform.

"We are voting today not so much on the head of the government, but on the course to get out of this crisis," said Gennadi Zyuganov, the Communist Party leader.

But last-minute defectors, such as Vladimir Zhirinovsky, the arch-nationalist, said Mr. Yeltsin's choice was inappropriate. "You can't make a first-grader an academician, or make a sergeant a marshal," said Mr. Zhirinovsky, whose Liberal Democratic Party had been expected to vote for Mr. Kiriyenko on Friday. "Otherwise, there will be failure and destruction."

But Mr. Zhirinovsky also said that he had backed out of his earlier promises to support Mr. Kiriyenko once it became clear that his party was not going to get any seats in a new cabinet. The final vote, however, suggested that many members of the opposition had broken ranks to vote for Mr. Kiriyenko on Friday. "Otherwise, there will be failure and destruction."

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UN Suspends Inquiry Into Hutu Deaths

Kabila Provides No Clues To Rwanda Refugees' Fate

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — The United Nations on Thursday suspended its investigation into allegations of massacres of Rwandan refugees in Congo, after weeks of harassment and the detention this week of a Canadian member of the team.

Mary Robinson, the UN high commissioner for human rights, said in Geneva that there was no longer any excuse for the behavior of President Laurent Kabila's government in Congo, the former Zaire.

She also raised the possibility that the investigators would be withdrawn from the country after a year of ill-fated attempts to find out what happened to tens of thousands of Hutu driven from their camps in eastern Congo in late 1996 and early 1997 by pro-Tutsi forces loyal to Mr. Kabila, who seized power last May.

"Clearly there are justifiable doubts as to the value of maintaining the investigative effort in the Democratic Republic of Congo," Mrs. Robinson said.

The UN high commissioner for refugees, Sadako Ogata, has said she believes that up to 250,000 Hutu are missing. The United States, which stalled efforts to deploy a peacekeeping force on the Rwanda-Congo border when it became clear that camps were being emptied by force, told relief officials at the time that all the refugees had gone home.

Last year Secretary-General Kofi Annan, urged on by the Clinton administration, which was trying to develop good relations with Mr. Kabila and the Tutsi-led government in Rwanda, went out of his way to create an investigative team that Congolese officials would not reject.

Mrs. Annan was criticized by human rights groups for dropping the chief investigator appointed by the UN Human Rights Commission, Roberto Garretón of Chile, and reconstituting the team to make it acceptable to Mr. Kabila, who also wanted to dictate how and where the team would work.

The conciliatory approach never really worked, however. Congolese officials caused long delays in allowing the team to enter the country and begin fieldwork. The government in Kinshasa then blocked evidence-gathering missions and intimidated local witnesses. The interference culminated this week in the overnight detention of the Canadian, Christopher Harland, and the photocopying of documents taken from his luggage.

This pattern of obstruction calls into question the promises made by the Kinshasa authorities to allow a proper investigation of grave violations of human rights committed over the past several years," Mrs. Robinson said.

Some human rights organizations have said in recent weeks that it was time to declare the mission a failure and end it.

Human Rights Watch urged Mr. Annan to withdraw the team in March, after investigators had been prohibited from examining a mass grave.

"We felt that enough is enough," said Joanna Weschler, the UN representative of Human Rights Watch. "There have been so many acts of hostility against the team."

Education
every Monday in The International



BOMB IN TURKEY — An Indian tourist gesturing to her husband, who was among nine people wounded slightly by a blast in central Istanbul on Friday. No group claimed responsibility for the bombing.

BUDGET: \$50 Billion U.S. Surplus Is Now Considered Likely

Continued from Page 1

bring an enormous bulge in revenue this month and put the budget for the year in the black.

If the surplus for April and the remainder of the fiscal year are equal to the \$89 billion surplus posted in the second half of fiscal 1997, then the surplus for all of 1998 would be \$18 billion, although almost all analysts believe the surplus will be much greater in the second half of the year.

And if revenue continues to grow in the second half of the fiscal year, the surplus for 1998 could reach \$75 billion.

The rapid change in the surplus estimates and their widespread dispersion is not unusual even with the fiscal year half over.

"The truth is that nobody knows what

the surplus is going to be," said Robert Reischauer of the Brookings Institute, a former director of the Budget Office.

Mr. Reischauer said, however, that he believed that projections in the range of \$60 billion to \$80 billion were "wishful thinking."

"But anything from \$20 billion to \$50 billion is not out of the question at all," he added.

Whatever the surplus turns out to be, achieving it will be all the more remarkable because of some of the decisions made in an agreement last year between Mr. Clinton and the Republican-controlled Congress.

The deal, which did not anticipate a surplus until 2003, included spending increases and tax cuts that were expected to push this year's budget about \$21 billion in the direction of a higher deficit.

The Treasury will use whatever surplus materializes this year to pay down a portion of the national debt. If the surplus were \$75 billion, there would be that much less debt outstanding on Oct. 1. That would lower the government's net interest bill for 1999 by about \$5 billion and give a boost to next year's surplus.

DEATH: Sane Enough to Be Executed?

Continued from Page 1

question is nearly a century old and has not been used since 1951.

The statue gives little guidance to Judge William McGovern of Marin County Superior Court as he struggles to figure out how to decide if Mr. Kelly, described by a defense attorney as a "walking vegetable," should die for his crimes.

If the jury decides that Mr. Kelly is not competent to be executed, a legal controversy will be laid to rest, but an equally thorny medical issue will arise. For Mr. Kelly, 38, would be sent to a mental institution until he is cured. If cured, he will then be sent to die.

"It gets into the deepest areas of the law," said Victor Streib, dean of the law college at Ohio Northern University and an expert on the death penalty. "If someone is found to be insane, then they're sent to treatment. If the goal of treatment is to get them well, they're executed. If they stay crazy, their life is saved."

Mr. Kelly began his march toward death row on a Friday morning in late November 14 years ago when he picked up a hitchhiker named Sonia Reed. Her body, naked from the waist down, was later found behind a headstone at a San Bernardino memorial business. She had been shot twice and left for dead.

The next morning, Mr. Kelly picked up Ursula Houser, tried to rape her and shot and killed her. Her body, also naked from the waist down, was found in a San Bernardino alley with a bullet in the head.

The final victim was 11-year-old Danny Osemowski, shot three times in the face on Thanksgiving Day as he fought to prevent Mr. Kelly from kidnapping his 13-year-old cousin, Shannon Prock.

Mr. Kelly was convicted of murder and attempted rape in 1986 for the deaths of Miss Houser and Miss Reed. Two years later, he was convicted of Danny's murder and sent to San Quentin State

Prison to await execution. But a lot can happen in 12 years on death row.

"It's the most stressful confinement anywhere," said Michael Radler, chairman of the sociology department at the University of Florida and author of a book called "Executing the Mentally Ill."

"By definition, a certain proportion of people will go nuts living under those conditions for a number of years," he said. "And that guy didn't start with a full deck of cards."

Horace Kelly's youth was a never-ending stream of abuse — sexual assault and physical attack that spanned the decades and bridged the generations of his troubled and violent family.

Mr. Kelly's attorneys argue that their client had a well-documented history of mental impairment, starting with trances at age 2, progressing through special education classes in elementary and high school and accelerating after moving to Southern California.

Over the years, reports by prison and court-appointed psychiatrists noted this mental deterioration:

• 1991: Mr. Kelly has "bizarre delusions and hallucinations, incoherence, catatonic behavior, and inappropriate effect."

• 1993: "Mr. Kelly appeared actively psychotic and gravely disabled." And "DIAGNOSIS: Schizophrenia, chronic, undifferentiated type, in partial remission."

• 1995: "He is now suffering from a psychotic mental disorder of such severity that it precludes his capacity to appreciate his current legal position and make rational choices with respect to the current court proceedings."

In the course of the trial, jurors will hear witness from both sides and then grapple with the question of Mr. Kelly's sanity.

It will be the first time that a California jury will face such a last-minute decision since an inmate was found competent for execution by a 9-to-3 vote in 1951.

BOOKS

THE AVENGERS

By **Toby Miller**. 192 pages. Paperback. \$19.95. Indiana University.

Reviewed by Carolyn Banks

A SCHOLARLY book about "The Avengers" is a book in which the author — without a twinge of irony, mind you — tweaks academics for "licensing their own pleasures as professional acts of theory and critique..." A book that delights in using 50-cent words when 10-cent ones would have done (like narrativize, actants, alerity, problematique and — what appears to be the author's fave — diegesis) but that I nonetheless adored reading? Yes, Toby Miller's "The Avengers" is the very one.

This alone should suggest how powerful the subject matter of a book can be. And Miller's, a tribute to the enduring 1960s British television series, has a lot of fun stuff in it besides.

But there's more. Diana Rigg's character's name, for instance, is said to have come from a publicist who wrote that the female character who followed Honor Blackman's portrayal of Mrs. Gale should have "Man Appeal." In her notes, the publicist shortened this to "M Appeal." And when she read it aloud well, there you go. "This is my favorite creation myth," the author says.

And where did those cat suits come from? "Three months before miniskirts appeared in British boutiques, one was purchased from Courreges for Rigg to wear on screen. The mini drew protests from the U.S. networks and was soon

displaced by the Emma Peel, a ribbed jersey" jumpsuit.

Diana Rigg's own take on the series? Miller quotes a *Radio Times* interview during which Rigg said: "Thank God one is remembered for something — and it wasn't absolute rubbish."

The quotes from television columns that Miller resurrects are one of the book's best features. One from a 1984 *TV Guide* pronounces Rigg "too smart to fool herself into believing that [she's] appearing in the play 'King Lear' will finally stop people from thinking of black leather whenever her name is mentioned."

Are you getting the feeling that Patrick Macnee's portrayal of John Steed is pretty much ignored? Well, it isn't. Steed tells us, part of the gentleman spy tradition that emerged in the post-Victorian era. Miller cites a long list of Steed's predecessors to prove that espionage had become "an acceptable part of ruling-class amateurism."

Macnee is said to have copied his portrayal of Steed from a 1939 Ralph Richardson film role, "down to the umbrella." Steed, including the vintage Bentley that he drove through much of the series, is said to represent tradition, whereas Mrs. Peel, behind the wheel of her Lotus, stands in for modernity.

But there's some early gender-bending going on in "The Avengers." Brian Clemens, who wrote many of the episodes, said that the series never could have been made in America. "They would never have allowed us to have an effete-looking hero in a bowler hat carrying an umbrella."

From the start "The Avengers" defied the norm. "Casting a woman in an adventure series in the first place, and then not having her romantically involved with the male lead, shocked network executives of the time, who continued to lobby for the pair to make it together."

But let's be clear here: "Sex was not sanitized out of the series." It's just flipped about. Steed foils villains by tripping them with his umbrella, while Emma Peel flings them over her shoulder. There's a lot of sexual innuendo in the banters of the starring pair, but it's the woman who's preoccupied with, say, cleaning her gun or finishing a paper on thermonuclear physics.

Over and above plot, there was "how the multifaceted ethos of the program worked." See? Like me, you probably never realized, when you plopped yourself down to watch this show, that you were really into some heavy-duty, sociopolitical stuff. Miller does a number on that throughout, so much so that when you finish this book, you'll be congratulating yourself for your prescience.

Carolyn Banks, who writes mysteries, wrote this for *The Washington Post*.

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Anatole Dauman Dies at 73; Producer at French Forefront

The Associated Press

PARIS — The French movie producer Anatole Dauman, 73, who worked with such film masters as Jean-Luc Godard, Wim Wenders and Andrei Tarkovsky, and defended the French cinema against the influence of Hollywood, died of a heart attack Wednesday.

Mr. Dauman, who was born in Warsaw, was the producer of such classics as Alain Resnais' "Night and Fog," one of the first attempts to deal with the Holocaust on film, and Chris Marker's "La Jetee."

In a career spanning more than three decades, Mr. Dauman worked on movies such as "Paris, Texas" and "Wings of Desire" with Mr. Wenders, and "Masculin Feminin" with Mr. Godard.

He also produced Volker Schlöndorff's "The Tin Drum," Nagisa Oshima's "Empire of the Senses," Mr. Resnais' "Hiroshima, Mon Amour" and two films by Robert Bresson, "Au Hasard Balthazar" and "Mouchette."

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"The Democratic Conscience" will be the subject of 12 services of the sermon at April 12 services of the Unitarian Universalist Fellowship of Paris. April 26: Service led by Rev. Kenneth Sawyer. Both at 12 noon, Foynes, 7th, rue des Bons-Raisins, 92500 Rueil-Malmaison. Tel: 01 47 51 29 03/04 47 49 12 28 or 01 47 51 29 03.

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NETHERLANDS Unitarian Universalist Fellowship — Meets 1st Sunday of the month at 12:00 in Wasseiges. For information call (32) 20 645 9513 or e-mail to mcdouglas@unitarian.org

Archbishop Seraphim, 84, Greek Orthodox Leader

ATHENS (AP) — Archbishop Seraphim, 84, the head of Greece's Orthodox Church who used the faith's political might in momentous struggles and tempestuous feuds, died Friday in the Athens hospital where he was admitted Feb. 25 with a viral infection.

Archbishop Seraphim, appointed as head of the church in 1974, was one of the few remaining members of the old guard who guided the country after the restoration of democracy following the military government that ruled from 1967 to 1974.

But during his reign, Archbishop Seraphim squabbled with conservative and Socialist government leaders alike. His most dramatic clash came in the mid-1980s when the prime minister at the time, Andreas Papandreou, a Socialist, tried to expropriate the church's vast land holdings. Archbishop Seraphim eventually won the battle and in retaliation excommunicated seven government officials.

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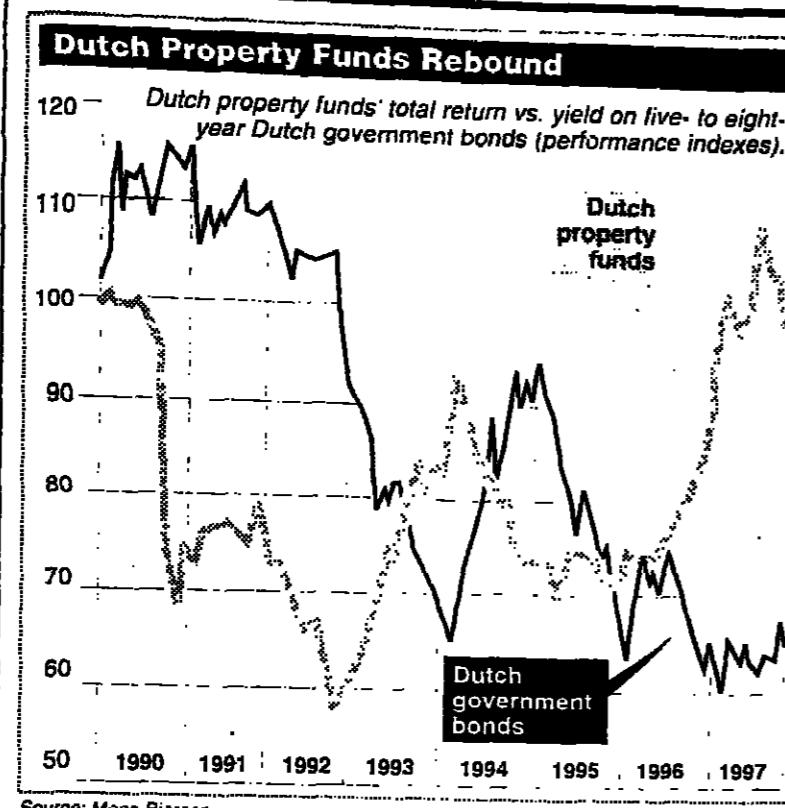
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ont Inroad

Amsterdam Bonanza: Real-Estate Funds

INVESTORS WITH an appetite for West European assets and income are on a starvation diet these days, as rates on savings accounts and bonds hover in the low single digits across much of the Continent. It may be time for them to check out the Amsterdam Stock Exchange, home to a group of closed-end real-estate funds that typically pass most of their income along to their shareholders.

These funds look especially attractive right now. Their dividend yields are 6.5 percent and higher, compared with, for example, a miserly 3.5 percent to 3.8 percent on savings accounts in the Netherlands. At the same time, real estate around the globe, with the exception of Asia, is on an upswing after a severe downturn. American markets are booming and recovery is at various stages in Europe, promising at least two more years of healthy income before the threat of overbuilding arises.

The funds vary widely, depending on where they operate, types of properties, management and valuations. Many were originally listed in the Netherlands to be accessible to big Dutch pension funds, among the earliest institutional investors in real estate, but their healthy dividends have attracted individuals seeking income.

The biggest global fund is Rodamco NV, with 10 billion guilders (\$4.8 billion) in assets. Run by Robeco NV, the Rotterdam-based asset managers, it owns commercial property—from shopping centers to office complexes—in Europe and America.

Conservative management had taken a toll on Rodamco's profits in recent years, depressing the yield of its shares. Last year, however, Rodamco's profit leaped 20 percent as its managers changed their approach.

"They shortened considerably the time they held a property, bought higher-quality properties, and improved the quality of those already owned," said Herma Boom-Conradi, who follows property funds for MeesPierson, the securities and banking subsidiary of Fortis AG. Ms. Boom-Conradi has a buy rating on Rodamco. She figures the fund will see an 8-to-10 percent rise in profit this year.

"That's still good for a property fund," she said, "and they're also benefiting from the strong dollar, with 40 percent of their portfolio in the

U.S., and a strong pound sterling, with another 20 percent in the U.K."

Arian Knibbe of Kempen & Co. said he, too, liked Rodamco's new approach. Although its share price has fallen over fears about its Asia holdings, he said investors overreacted.

"They only have about 6 percent of their portfolio in Asia, and the projects there are still under construction," he said. "Moreover, they will be in a good position to bottom fish when Asia turns up, and given the volatility of those markets, that could be very attractive."

Rodamco is also the Dutch property fund whose shares are trading near the value of the assets they represent, and the fall in price has produced a dividend yield of 6.8 percent. "In a historical context, that's quite high," said Mr. Knibbe.

More adventuresome investors may want to consider Mr. Knibbe's aggressive niche play, the Uni-Invest NV fund, which is 100 percent Dutch and whose "opportunistic" management has snapped up portfolios while others have been merely looking.

Uni-Invest is heavily invested in the red-hot Dutch office market, and its fortunes have taken off with the recovery of the sector, which hit bottom in 1993. The market now suffers from a space shortage.

The fund's share price has soared 60 percent in the past two years, while the value of its portfolio has tripled, to 2.5 billion guilders. The dividend yield is a fat 9 percent-plus, based on expected payouts, in part because the company includes a portion of the proceeds from property sales. Uni-Invest's shares, however, are trading at a steep 25 percent premium to the value of the company's assets.

For a more conservative play, Ms. Boom-Conradi suggested Vast Ned Retail NV, a fund specializing in rented stores and small shopping centers. Besides efficient and innovative management, she said she expected it to benefit from a pickup in consumer spending, allowing it to raise its rents.

"We're just beginning to see the first signs of higher rentals, but it's good to be early, and the fund is already paying a high yield of 8 percent," she said. —JUDITH REHAK

For further information:

• RODAMCO: Telephone: 31-20-224 1224 for Dutch version; 352-4464 4421 or 412-398-9000 for foreign version.

• UNI-INVEST: Telephone: 31-39 617 7400 Web site: www.uni-invest.nl

• VAST NED RETAIL: Telephone: 31-10-242-4300.

U.K. and Dutch Firms Find Profit in the Company of Ex-Foes

By Conrad de Aenle

THE DUTCH AND English have not always enjoyed one another's company—or companies. The competition of their respective East India companies led to considerable friction and even war. The two states and their businesses get along much better now, the amity epitomized by British-Dutch enterprises such as the oil producer Royal Dutch-Shell Group, the consumer-goods company Unilever and the publisher Reed Elsevier.

"Within Europe, the Dutch have the most in common with the English culturally," said Marcus Smith, a fund manager in London for Massachusetts Financial Services Co., explaining the cross-border enterprises. He was referring largely to corporate culture.

"On shareholder value and the way companies are managed, there's more of a similarity," he observed. "There's more of an equity culture."

He contrasted the Dutch and British ways of doing things with the system of cross-holdings in France and Germany, where large companies swap stakes among themselves, making it hard for outsiders to have much say in how they are run or much chance of succeeding in a hostile takeover.

As for why Dutch and British companies tend to merge and be run from both countries, one analyst offered a cynical explanation.

"U.K. companies don't want to be taken over by Dutch companies and the other way around, so they have to merge," he said. "It has to do with pride."

You might expect some arbitrage possibilities between the branches that the price of one half gives it a different valuation than the other but analysts said any spreads that open up disappear quickly.

In fact, their structures tend to keep their prices low, analysts said. If a weak guilder makes the Dutch earnings look good, for instance, investors in Britain, if the pound is stronger, will see poor results and mark the shares down accordingly. The Dutch shares will then tend to be marked down to the British level.

This week, according to Bloomberg data, the British arm of Unilever traded at a price-to-earnings ratio of 26 times expected profit for the coming 12 months and offered a dividend yield of 1.67 percent. The Dutch arm, meanwhile, traded at a P/E ratio of 29 and yielded 1.44 percent.

Reed was priced at 22 times earnings and a 2.92 percent yield, while Elsevier fetched 24 times earnings and paid 2.72

percent. Royal Dutch was priced at 24 times earnings and yielded 2.61 percent; Shell Transport sported a P/E ratio of 22 and a yield of 3.22 percent.

THE LARGEST of the British-Dutch conglomerates is Royal Dutch-Shell Group. Despite being so big, the oil company these days is belittled. Analysts have been downgrading its shares, arguing that they are expensive relative to those of others in the industry, a business based on a commodity that has been bouncing around decade-low prices.

Analysts at Lehman Brothers said in a report that they expected the stock in Royal Dutch Petroleum Co., which owns 60 percent of the enterprise, to fall to 104 guilders (\$50) per share from its recent price of about 121.

"We believe performance will be at risk on a 12-month view," they wrote, "from low upstream volume growth and Asian exposure downstream."

In laymen's terms, Royal Dutch will be up a creek because the amount of oil it is producing is growing slowly, and sales and profits on what it does produce will be limited by weakness in one of its key markets.

The analysts add that weakness in the chemical business will depress profitability. For the company as a whole, they expect earnings per share to fall 11

percent this year and 4 percent in 1999.

Gordon Gray at Salomon Smith Barney has also trimmed his earnings estimates for Royal Dutch and recently lowered his rating on the stock to "outperform" from "buy." He said money invested in the company's shares could be put to better use elsewhere.

"While remaining very confident about the company's long-term prospects for growth and improving returns, short-term prospects suggest a swap into British Petroleum," he said.

British Petroleum Co. "has less Asia exposure," he continued, "and it has more exposure to a possible rebound in crude prices."

He noted, too, that Royal Dutch had suffered from currency movements not just in Asia.

"The 1997 dividend is likely to disappoint U.S. investors," he said, "since it has shown no growth in dollar terms."

He added that weakness in the guilder tends to weakness in the guilder.

LEHMAN ANALYSTS likewise compare Royal Dutch with BP, estimating the ratio of Royal Dutch's share price to 1998 earnings at about 29, compared with 20 for BP.

The analysts recommend "using any trading bounce in the near term" to sell Royal Dutch and buy BP or any of sev-

eral other European oil companies: Elf Aquitaine, Total SA, Eni, Nazionele Shell Transport, or OMV AG.

Opinion is mixed on Unilever. Those who like the company point to its vigorous restructuring program, including the sale of its specialty-chemicals division for nearly \$5 billion as part of a drive to shed businesses outside what management considers core areas of expertise.

Unilever is a more dominant player in its field than many investors give it credit for, analysts at Goldman, Sachs & Co. contend, and it will be stronger still once the restructuring is complete.

"The sluggish operating performance in the early 1990s, together with high-profile problems (involving certain products), have left many investors with the impression that Unilever has a relatively poor-quality portfolio," the analysts said. "We strongly disagree. With a few obvious exceptions, Unilever has a series of core market positions which are unusually strong."

They said they expected the company's earnings to grow by up to 15 percent a year for the next two to three years, more than others expect. Unilever is priced more attractively than other companies in its field, they say, and they include the stock in their "global priority list," Goldman's highest rating.

Continued on Page 15

Europe's Hottest Market Is a Dutch Treat

By Judith Rehak

ALL OF THE main European markets are hot these days, but stocks in Amsterdam have been on fire for the entire decade. The AEX blue-chip index has nearly quintupled since the end of 1989, with a rise of 27 percent this year following a 41 percent gain in 1997.

"If you look across the last 15 years, the Dutch equity market has returned 20 percent per annum on a total return basis, which is just an amazing performance," said Frans van Schaik, Dutch equity strategist for ABN-Amro Bank NV in Amsterdam.

Fueling the run-up is a flood of cash from institutions and individuals. Mr. van Schaik cited the early arrivals, global investors who discovered Dutch stocks as a cheap way to get into Europe, followed by Dutch pension funds, which belatedly realized that bond returns would not meet their payout targets. These retirement funds now have a third of their assets in equities, up from 12 percent at the beginning of 1990.

But the soaring stock market is also being driven by a crowd of new participants. Conservative Dutch investors, who once shunned share ownership as a high-risk gamble, have done an astonishing about-face, diving into equities in droves as they flee record low rates of 3.5 percent to 3.8 percent on savings accounts, and worse, taxes as high as 60 percent. By contrast, the country has no capital-gains tax.

"One Dutch household in seven owns stocks now, compared with one in 20 years ago," said Robert Bakker, a spokesman for the Amsterdam Exchanges, which combines the primary market, the new NMAX small-companies market and the AEX Optiebeurs, or options exchange.

First-timers are buying everything from individual stocks to click funds. The latter are exotic instruments, based mostly on the AEX index, that allow each shareholder a one-time option to lock in profits—or click—when the index reaches a specific level.

Investors who lack the cash to join the party are trying stock leasing, in which banks and mutual-fund managers lend them money, then invest it for them; the interest on the loans is tax deductible. Individuals are also the dominant players on Amsterdam's raucous, open-outcry options exchange, where they place bets on the market's big-name stocks.

The enthusiasm among small players has many observers worried.

"They think trees grow to the sky, and the ones in the options market think it will get them there faster and cheaper," said one observer at an Amsterdam brokerage. "It's very dangerous."

The spiraling index raises the question of what to buy if the Netherlands catches your fancy. There are the tried-and-true names, such as Heineken NV, the brewer, or newer ones, including ING Groep NV.

the combination of Dutch insurer ING and Barings bank, which is seen as the cheapest of the popular financial stocks. But for the most part, analysts are carefully culling the diverse universe of Dutch companies for overlooked or underpriced opportunities.

Mr. van Schaik is looking at candidates for stock buy-backs. Such repurchasing of their own shares is a method of boosting stock prices that is widely used by American companies as an alternative to paying cash dividends. It is rare in the Netherlands, however, because it usually incurs stiff tax penalties.

Dutch companies have been pressing for tax relief or buy-backs, something Mr. van Schaik expects to happen this year. His top candidate for a buy-back, and a top pick at ABN-Amro, is Philips Electronics NV. Operations-wise, the company is looking good, he said. Years of often difficult restructuring are beginning to pay off, underscored by the record earnings for 1997, with profit quadrupling to 3.29 billion guilders (\$1.6 billion) from 723 million guilders a year earlier. There is more to come, Mr. van Schaik predicted.

"We feel that the company is going to make more rough decisions on what is

a core business and what is not," he said. He expects Philips to sell its stakes in companies like the computer-chip equipment maker ASM Lithography Holding NV and PolyGram NV, the entertainment company.

"That could raise as much as 30 billion guilders, which would allow them to buy back more than 50 percent of their shares," he said. Philips' shares are trading at about 150 guilders, and Mr. van Schaik's six-month target is 200.

Mr. van Schaik's second stock-buy-back candidate is far more of a dark horse. He has a buy rating on Royal BolsWessanen NV, an ill-fated merger between Wessanen, a food company, and Bols, a beverage concern, that has failed to produce hoped-for synergies. The company's stock has been a dismal performer among the Dutch bulls.

But after reporting disappointing 1997 earnings, BolsWessanen's chief executive announced that the company would focus on its food business and sell its beverage units. Mr. van Schaik is betting that it will spend some of the cash on a share repurchase.

"They have already said that if they were a U.S. company they would buy

back stock," he said.

Other analysts favor food companies whose fortunes are more upbeat, and also qualify as defensive plays should the high-flying market take a tumble.

David Duijne, of MeesPierson, the securities and banking subsidiary of Fortis AG, likes CSM NV, a company in the sugar and baking business. Sugar is the cash cow, but the company's business in lactic acid is its growth engine, he said. Lactic acid is made from fermented sugar and used in products ranging from food preservatives to facial creams.

"CSM has a 65 percent global market share, lactic acid use is growing rapidly, and it has high margins," said Mr. Duijne, who likes the company as a long-term investment. But, he warned, "Don't think you're going to jump in and make a ton of money in six months."

Small companies, which have lagged the big-cap index, are another avenue for entering this high-priced market. At ING Barings, Michael Bosman favors Samas Groep NV, a leading European office furniture, which also distributes office supplies. Like many small Dutch companies, it does the bulk of its business—about 30 percent—in Germany, whose depressed market has about bottomed out, Mr. Bosman believes.

"Samas's business in the Benelux and U.K. is doing quite well, and France, which has been a problem, is looking a bit better," he added. He calculated that that would translate into earnings per share of 9 guilders for the year ending March 1999, compared with 7.20 a year earlier.

Mr. Bosman also likes Schuttersveld Holding NV, which makes synthetic products like plastic telephone bodies and parts for household appliances. After a rapid rise, the company's stock has slipped on the news that it may enter a new business, distributing sanitary fixtures such as bathtubs and sinks in Germany.

"They haven't made a final decision, and investors don't like the uncertainty," said Mr. Bosman, who said he believed the company would go ahead with its plans. "They have a great track record, and they can implement the same concept they have in their plastics division, which is to buy and consolidate regional distributors, cut costs and reach more customers."

Mutual funds that invest in Holland and have good returns over the three years through March, provided by Standard & Poor's Corp.'s Micropal division:

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• PARVEST HOLLAND: Telephone: 355-46-47150.

• CREDIT SUISSE EQUITY FUND: NETHERLANDS: Telephone: 355-46-001-1876; institutions: 355-47-8232.

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INTERNATIONAL FUNDS

Quotations supplied by fund groups to Micropal Paris, t: 33-140 28 09 09, e-mail: InfoData@micropal.fr

For information on how to list your fund, fax Katy Houri at (33-1) 41 43 92 12 or E-mail : funds@iht.com
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British-Dutch
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for Grass Roots
Part II

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THE MONEY REPORT

Q & A / William Stack, Dresdner Bank

Common Sense Secrets Of a Grassroots Investor

Legwork Helps New Entity Discover Global Plays

William Stack is chief investment officer for global equities at Dresdner RCM Global Investors, a recently created entity comprising several fund-management companies owned by Dresdner Bank. Mr. Stack and his colleagues try to stay ahead of the stock-picking pack by using a system called Grassroots, which combines common sense and legwork.

Conventional economic and financial research is supplemented with reports from field workers who gather information about companies and their products and the way they are perceived by consumers.

The aim is to anticipate corporate performance before it shows up in earnings statements and balance sheets. Mr. Stack spoke about the system with *Conrad de Aenle*.

Q. Take us through the basics: How does Grassroots work?

A. We have 320 people all around the world who work for us on a part-time basis. Many are free-lance reporters and academics, in some cases housewives. They are people who are adept at picking up the phone and getting information. They're nonfinancial people; we prefer them not to read Wall Street research. For a while we told them we didn't want them to read *The Wall Street Journal*, but we backed off that.

We want information that is totally divorced from what other people think, to get a different flow of information that is right at the grass roots. In many cases, they will pick up trends before they become known to the financial community.

Q. The efficient-market theory holds that money managers add little value because share prices already are based on every available piece of information about corporate and economic performance. Why do you think your system is worthwhile?

A. We try to quantify it, but it's difficult. We have meetings with analysts, fund managers, regional specialists and a Grassroots person. The decisions we make are based on the aggregate of their input. I can say they are important catalysts in making decisions. For all the work we do, when you buy or sell a stock, it's still just informed conjecture. If you can get that added information that others don't have, it gives you more reassurance; it gives you the confidence to do it in larger quantities.

When we have information that no one else has, if we trade on it and it turns out right, it can be spectacular. If it's wrong or unimportant, it's not like we're taking a lot of risks.

Q. If your method works so well, why isn't it used more widely? If it catches on, will its utility diminish?

A. You have to have a commitment to it, and it's expensive, but frankly I'm stunned that more people don't do this. If more people did, its utility could drop, but part of it is to be able to develop long relationships [between field researchers and companies] and to work closely on

key issues. If someone else started to use it, it would be hard to get to the same level. If you could, the competitive edge would narrow, but we have had a terrific run where people haven't copied us.

Q. Can you give some examples of solid winners revealed by Grassroots that you otherwise would not have

A. Adidas is one. We owned the stock and would have sold it because it's a single-product company and a fad item, and there were reports that inventories were building up, but surveys kept coming back saying this is the preferred shoe. We stayed with it six months longer than we otherwise would have.

[Adidas-Salomon AG's share price is up about 50 percent since Dresdner RCM added it to its position in the company in September.]

Q. But haven't shares in the sneaker companies fallen sharply over the several months?

A. Yes, but many of them dropped because of Adidas gaining market share.

Q. How about another example?

A. We bought Warner-Lambert because we found out that a new anti-cholesterol drug was preferred to a drug sold by Merck. Instead of going to the investor-relations people, we went to doctors to find out what they were prescribing.

Q. Does your system work better in some countries or industries than others?

A. It works best where the market is the least efficient: small stocks that are not heavily researched, and overseas, where little work is done like this. You can do it with big stocks, but you really need scale to do it with smaller stocks, to do it where nobody else does.

Q. Did the system help you avoid the troubles in Asia?

A. It did help us in Asia, but we were out of Asia for the most part, in our emerging markets and Europe, Africa and Far East portfolios. The primary reason was top down: We saw the current-account deficits and other problems they were having.

Q. Valuations of U.S. stocks are soaring, yet fund managers, rather than sell, are concentrating increasingly on a handful of big-name, big-cap stocks, apparently taking comfort from the knowledge that lemmings don't die alone. Is Grassroots a help or a hindrance in this environment?

A. A situation may seem white when it's really black, but as long as they think it's white, the stock can keep going up. The market is fixated on earnings momentum. In the long run, if you consistently deliver better earnings, the stock is going to do well, but earnings momentum doesn't solve everything. We haven't found long periods of time when this doesn't work.

Everyone's interested in the next piece of news; we're just getting it a little bit ahead of time.

FOR INFORMATION about Dresdner RCM's U.S. mutual funds, call 1-815-954-5400; for British-domiciled funds, call 1-815-475-5832; for offshore funds, call 1-815-248-5093.



William Stack: Trend-sleuthing.

Oneness: Seeking a Fund That Has It All

AS THE DOW Jones Industrial Average hurtles toward 10,000, investors are pouring money into U.S. mutual funds — a record \$37.5 billion in net new cash in March. Fund investments in 1980 totaled \$100 billion in 12 million accounts; today, \$5 trillion in 170 million accounts.

Still, the majority of Americans have exactly zero dollars invested in the stock market. Some of them simply do not have the money, but many others are confused and scared, and do not know where to begin.

They think they need special expertise, and they worry about being burned by unscrupulous brokers or stock manipulators. That is a shame, considering how easy it is become to own stocks and how fair and efficient our markets are.

The best way to get into the stock market is to buy shares in an equity mutual fund, which is a portfolio of stocks chosen by a professional manager. When you own a share in a fund, you own pieces of all the stocks in the portfolio. While I think it is a good idea to own three or four funds, it is possible — even prudent — to own just one. But that's not the S&P over 10 years.

That is a remarkable record, considering that the average growth-and-income fund, the category into which DDS falls, has returned three to six percentage points less than the S&P.

Also, despite its fine figures, DDS is relatively unknown. Total assets are \$1.7 billion — up from just \$222 million in 1994, before the Dreyfus-Mellon deal, but far below Fidelity Growth and Income (\$37 billion) or Investment Co. of America (\$40 billion). There is no load, and expenses are about 1.0 percent annually — 20 percent below average, according to the Value Line Mutual Fund Survey.

Mr. Mullins turns over his portfolio slower than the typical manager — at a rate of 65 percent annually, rather than close to 100 percent. In other words, he holds the typical stock for 18 months.

Another attraction of DDS is that it is roughly balanced between growth stocks, which are fast-moving companies that investors are bidding up, and value stocks, which are shunned by the market and fetch bargain prices.

A good mutual-fund portfolio should include at least one value fund and one aggressive growth fund, but with DDS, you get both in a single package. You also get discipline. In good times, DDS keeps pace with the overall market, but in bad years it does even better. During the last bear market, from May to Oc-

tober 1990, the S&P was off 14.7 percent but DDS was down only 12.9 percent. For the full year of 1990, the S&P dropped 3.2 percent, but DDS showed a slight profit.

What other mutual funds meet our just-one criteria? Not many.

Scudder Value, with just \$350 million in assets, has notched returns just slightly below the S&P for the past one, three and five years — but at risk that's 38 percent lower than the market as a whole, according to Morningstar. Again, you are less likely to get hurt if the market tumbles. The only draw-

back is that this is a fund heavily weighted toward value rather than growth. Top holdings include Western Digital Corp., a hard-drive maker, and Ford Motor Co.

Pegasus Intrinsic Value, with \$600 million in assets, is the lowest-risk fund among top growth performers, reports Value Line. Its volatility — that is, the ups and downs from year to year — is just half that of the market as a whole, but its returns are lagging the S&P. Managers Chris Gassen and Rick Neumann look for stocks with low P/E ratios and above-average dividends. They also hold their shares longer than Mr. Mullins: turnover in 1997 was just 22 percent.

An obvious choice for a beginner buying a single fund is an index fund, which mimics the market averages. The best-known is Vanguard Index 500. Its huge size (over \$50 billion) really does not matter; it is not jumping in and out of stocks. The fund is run according to the S&P basket of 500 companies. If you had invested \$1,000 in the fund 10 years ago and reinvested all the dividends, then, not counting taxes, you would have \$5,500 today.

Washington Post Service

For further information, call:

• DREYFUS DISCIPLINED STOCK FUND: 1-719-895-1200, or, toll-free in the United States, 1-800-645-6661

• PEGASUS INTRINSIC VALUE: Toll-free in the United States 1-800-688-3350. Investors without access to 1-800 numbers, call 1-617-439-1440, or, toll-free in Massachusetts, 1-617-439-5112.

• SCUDERI VALUE FUND: 1-617-439-1440, or, toll-free in the United States, 1-800-222-5770

• VANCOUVER INDEX FUND: 1-810-669-1000, or, toll-free in the United States, 1-800-642-7447

Orange Fund Makes It Big the Small Way

Continued from Page 13

of the medium-size players in the Dutch temporary-employment business. It's trading around 20 times earnings, but that's not a high valuation for that sector. Their business is expanding very rapidly. They're making acquisitions in Belgium and looking to expand in Germany.

The Dutch temp market is the most developed in the world, and Unique has a strong position with small- and medium-size companies, where many temp jobs are found. They cover a fairly broad range, including providing employees in information technology, a rapidly growing sector. We don't think the company has reached its full valuation.

Q. The Netherlands is starting up more and more small, high-technology companies. Are you investing in this sector?

A. One of our more spectacular IT companies is ICT Automatisering. It was listed on the primary exchange last

year at 26 guilders, but following the Asia crisis, it dropped below 20 guilders. Then it produced better-than-expected results and the share price went to 44 guilders, but we think they have outstanding future prospects. They're the Dutch leader in embedded software, which is the engineering end of software. They have the largest experience in the field, and Philips is one of their biggest clients. We've been aggressive buyers, and we own 7 percent of the company.

Q. What about smaller new issues? Some seem risky.

A. There have been a number of small introductions with subscriptions at more than 20 times the amount of stock available, so it's true that there is some overheating. Again, we mainly look at the market leaders, as we're critical of some of the smaller companies and haven't participated in the offerings because we thought the interest wasn't justifiable.

But if we're really enthusiastic, we

3 British-Dutch Partnerships

Continued from Page 13

lisher of scientific journals, had been called off.

Analysts at Morgan Stanley say that Morgan Stanley also has an unflattering neutral rating on the stock. Its analysts state that the breakdown of the merger, "we believe there is further downside in the shares at current levels."

The problem that Mr. Smith sees in Reed, a company whose shares MFS has owned but does not own now, is that it is so strong in its core fields that it has little room to grow.

"Fundamentally, I think it's a great business," he remarked. "It has high market share in good niches like medical publishing. It sells a lot of highly regarded scientific magazines."

In such specialized publishing, he added, "there are high barriers to entry; it's basically a monopoly business, with little in the way of a competitive threat."

But while "its business is relatively safe," Mr. Smith said, "Reed really has a problem of size. They dominate their market. I think they're looking for ways to accelerate their growth, but it's going to be hard to find."

Reed found it and lost it when the Wolters deal fell through. Reed reportedly had wanted terms to be renegotiated after realizing that the European Union would demand large disposals of assets after the merger. That would have limited the merged company's efforts to dominate in scientific publishing, which was the point of the exercise.

The brokerage also has a "hold" rating on Reed Elsevier, which has been having restructuring troubles of its own. Its shares fell 8 percent on the day last month when it announced that a long-planned merger with Wolters Kluwer NV, like Reed a pub-

lisher of scientific journals, had been called off.

Analysts at Morgan Stanley say that

the stock of the companies are listed in Amsterdam and London, and they all have American depositary receipts or direct listings in New York. These are the principal listings:

• REED ELSEVIER PLC: Reed International, which owns 52.8 percent of the company, is traded in London under the ticker symbol REED. Elsevier, listed in Amsterdam, has the ELSVW. The companies merged in 1993.

• ROYAL DUTCH SHELL GROUP: Royal Dutch Petroleum owns 40 percent and trades in Amsterdam with the ticker symbol RD. Shell Transport and Trading Co. is based in London with the ticker symbol SHL. The companies merged in 1990.

• UNILEVER GROUP: The two companies operate as one under a series of agreements. Unilever PLC trades in Amsterdam under the ticker symbol ULVR. Unilever PLC uses ULVR in London. They joined forces in 1990.

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WORLD ROUNDUP

Tee Time for 2: Woods and Zoeller

They Are Paired Together at the Masters in Pursuit of Couples

World Cup Tickets

Compiled by Our Staff From Despatchers
Soccer France's World Cup organizers, under fire for refusing to sell all remaining tickets abroad, said Friday that they would put 110,000 tickets on sale on April 22 to residents of 18 European countries.

The tickets will be for first- and second-round matches with the exception of the opening match between Brazil and Scotland on June 10. Reservations can be made by telephone only, on a first-come, first-served basis. Tickets will be restricted to four per person per match, with an overall limit of 16.

Applicants must have an address in one of 18 countries: Germany, Austria, Belgium, Luxembourg, Denmark, Spain, Finland, France, Britain, Greece, Ireland, Iceland, Italy, Liechtenstein, Norway, the Netherlands, Portugal and Sweden.

Prices will range from 145 to 350 francs (\$23 to \$57) for the first round and 200 to 500 francs (\$32 to \$81) for the second.

Ninety telephone operators will man special lines from 8 A.M. to 8 P.M. French time (0600 GMT to 1800 GMT) from April 22 to 30 and from 8 A.M. after May 2. Telephone numbers will be made public next Friday.

• Giovanni Trapattoni said in newspaper interviews Friday that he would quit his job as coach of Bayern Munich at the end of the season. "Enough. I'm coming back to Italy, to my world," he said. "I don't have a club to go to, but I don't want to stay here anymore."

(Reuters)

Sri Lankan Suspended

ATHLETICS Asia's fastest woman, Susanthika Jayasinghe of Sri Lanka, was suspended Friday after a second urine sample tested positive for a banned steroid, officials said. Jayasinghe won the 200-meter silver medal at last year's world championships. (AP)

Bruins Back in Playoffs

HOCKEY The Boston Bruins no longer have to worry about missing the NHL playoffs this season. After missing the playoffs for the first time in 30 years last season, the Bruins made sure it would not happen again with a 4-1 victory over the New York Islanders. (AP)

McLaren Still Fastest

GRAND PRIX David Coulthard maintained McLaren's domination by setting the fastest time in Friday's opening practice session for this weekend's Argentine Grand Prix. Michael Schumacher was second in a Ferrari. (Reuters)

Continued from Page 1

AUGUSTA, Georgia — More devilish winds greeted the second round of the Masters on Friday, which was nothing compared to what — or rather, who — was awaiting Tiger Woods on the first tee.

Sixty yards down a slope from where Fuzzy Zoeller made his infamous "fried chicken and collard greens" remark, he joined Woods to tee off for the second round. And if that was not enough, Colin Montgomerie joined them, as the Masters used threesomes on Friday for the first time since 1983 to make sure the second round was completed.

Zoeller, Woods and Montgomerie set out to tackle an Augusta National course that was getting faster, firmer and tougher with each gust of cool, dry air.

Swirling around them were memories from a year ago. Woods was the runaway winner at Augusta, setting a record 18-under 270 to win by 12 strokes and become the youngest Masters champion. Zoeller jokingly told reporters that Woods should not have fried chicken, collard greens or "whatever the hell they serve" on the menu of the champions dinner.

They were paired together by virtue of a 1-under-par 71 under cruel, windy conditions in the first round. They were two strokes back of Fred Couples.

"Just another pairing," Woods said.

Zoeller apologized for his remarks and Woods accepted three days later, but the controversy has built up steam in the week leading up to the Masters. They put on opposite ends of the practice green, each one ignoring the other until they shook hands and Zoeller patted Woods on the back before teeing off.

Even Montgomerie has provoked Woods in the last year, saying that any of Europe's 12 players on the Ryder Cup team could beat him.

If the tee could put that distraction behind them, the wind should be all they could handle. "It's still tough today," said Ben Crenshaw, who went from an 83 in Round One to an even-par 72 Friday.

The wind was so strong and unpredictable Thursday that Couples was the only player who managed to break 70, the first time that has happened in the first round of the Masters since 1987.

And the rain that delayed the start of the first round — it was finally completed on Friday — was no longer around to soften the greens.

Greg Norman was in danger of missing the cut for the second straight year. He had a 76 on Thursday, then made the turn in 40 after a double bogey on No. 9.

Vijay Singh was in danger of missing the cut for the first time in 53 events. He was 10-over for the tournament with four holes to play.

Tom Watson, who opened with a 78,

SECOND ROUND
(U.S. unless stated)

Steve Jones	75-70-145
Jim Furyk	76-70-146
Colin Montgomerie	75-74-147
John Daly	77-71-148
John Huston	77-71-148
Gary Player, South Africa	77-72-149
Durian Clarke, Britain	76-73-149
Lee Janzen	76-74-150
Tim Herron	76-75-151
Bart Bryant	76-75-151
Tom Watson	78-73-151
Costantino Rocca, Italy	81-72-153
Frank Nobilo, New Zealand	77-74-153
Jeff Sluman	78-74-152
Greg Norman, Australia	79-73-152
Steve Appleby, Australia	77-77-154
Ben Crenshaw	83-72-155
David Orton	77-78-155
Vijay Singh, Fiji	74-80-156
Todd Hamilton	85-76-156
John Cook	83-76-156
Steve Bellcham, Spain	78-76-157
Ignacio Garrido, Spain	85-72-157
Scott Simpson	79-78-157
Geoff Hjeltness, Sweden	79-78-157
John Cookson, Britain	79-78-157
Fred Funk	76-78-157
Tom Clark, South Africa	81-79-159
Tommy Aaron	81-79-160
Bill Gleason	82-73-161
Charles Cuddy	75-82-164
Arnold Palmer	79-87-165
Billy Casper	81-84-167
Doug Ford	86-77-167
•=cutter	

started Friday with 12 pars, then followed a birdie with a triple bogey two holes later.

The slightest charge could take someone from as far back as 74 into contention. Phil Mickelson, an 11-time winner who is still looking for his first major, had three birdies and an eagle on the front nine, rolling in a 15-footer for birdie on No. 9 to get within one stroke of Couples.

Craig Stadler had a brilliant round in these conditions — eight birdies in a round of 68 that put him at 3-over 147.

Most people were headed the other direction. Nick Faldo, who made a 6-foot birdie putt on the 17th on Friday morning for a first-round 72, bogeyed two of the first three holes.

Ernie Els missed two short putts Friday morning to finish off a 75, then started the second round with a birdie and an eagle. By the time Els made the turn, he was at 2-over for the tournament.

One stroke behind Couples after the first round were Paul Stankowski, Jose Maria Olazabal and Scott Hoch at 2-under 70, while the others at 71 were Phil Blackmar and Paul Azinger, the only player who did not make bogey.

"I feel like I should play well here," Couples said. "It's my favorite tournament: it's my favorite course and it's a place where I have a ton of confidence."

He got a break Thursday at No. 12, even though he bogeyed it. His tee shot landed on the bank of Rae's Creek in front of the green, but the ball stopped about three inches from the water. So instead of taking a penalty stroke, Couples took off one shot and played his second shot from the bank at No. 12. If Couples wins this tournament, he will remember his good fortune. (AP, NYT)



Woods teeing off Friday with Colin Montgomerie and Fuzzy Zoeller.

What Makes Tiger Tick?
Wisdom Beyond His Age

By Thomas Boswell
Washington Post Service

AUGUSTA, Georgia — As Tiger Woods and his caddie, Mike Cowan, walked down the 10th hole during the first round of the Masters, heading toward the Amen Corner and its infamous tunnel of swirling winds, the pair looked at a pile of leaves sitting beside the fairway.

Suddenly, a huge gust of wind hit the leaves and, in Woods's words, "They exploded in all directions. I've never seen the wind blow four ways at once." So I said, "Fluff, which way is the wind blowing?"

Woods hit a 390-yard drive Thursday in that first round. And he showed

VANTAGE POINT

a chipping and putting touch that may be the softest and most imaginative in the world. But what sets Woods apart — just as it made Bobby Jones and Jack Nicklaus different and better than their peers — is in his head. He's old, wise and tough under pressure far beyond his 22 years.

Woods scrambled his brains out in the first round. Nothing he accomplished in last year's victory was significantly tougher, or more a credit to his maturity and self-possession than his successful war of survival with Augusta National in those crazy winds.

At various times, Woods cussed, heaved a branch, tossed a putter, staggered with his hands over his head and, by the end, simply gazed at the heavens in exasperation. But he never quit under brutal conditions that blew the fight out of many other stars.

Even though the tormenting gusts

blew his approach shots into trouble 10 times — yes, Tiger missed 10 greens — Woods still managed to make seven gritty saves, plus four birdies, to place himself squarely in the hunt to repeat as champ.

Some may think his opening 1-under-par 71 wasn't too wonderful. Isn't Augusta National supposed to be The Tiger House after his 18-under-par record victory last year? So what's so hot about Tiger's first round?

Woods did not crack, that's what.

And he had every chance. Nobody in sports has been under more pressure than Woods for the last 18 months. He is the eye of his own twister. He has had every reason to become distracted, irritated, or even self-pitying.

Instead, he continues to show the general strength of character that golf loves to believe it cultivates and that its greatest players have so often exemplified. Either the game teaches many of the most admirable qualities or it selects as champions those who already have many of them.

Like Nicklaus for so many years, Woods rings true. Out of the swirl around him, he seems to see what matters and ignore what does not. Earl in the first round, for example, Gay Brewer, 66, became the oldest man ever to march past Augusta with a 72.

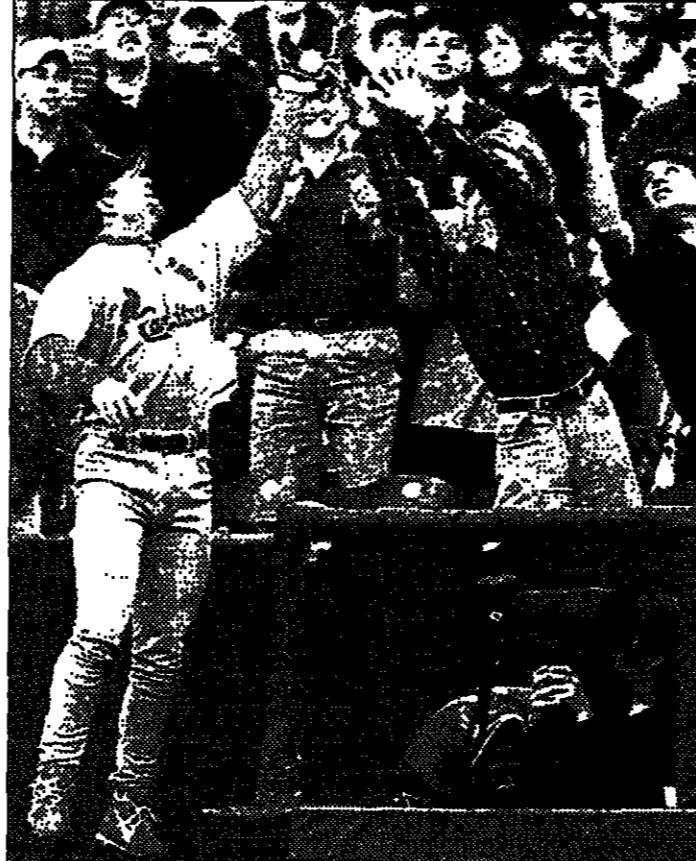
"To do that under these conditions — how inspirational that is," said Woods. "You look at it and say, 'If he can do it, I should be able to do it.'"

Before he began, Woods counseled himself, "Tough day. Accept it. You'll make mistakes. Hang in there. Be patient. Make pars. Move on."

That is easier said than done at any age. At 22, it is scary to think Woods can actually follow such advice.



Fred Couples wading out of the 12th hole water trap after hitting out of it. (AP, NYT)



Mark McGwire of the Cardinals snatching a Rockies' foul ball.

Diego completed a three-game sweep of visiting Cincinnati.

At 7-3, San Diego is off to the second-best start in franchise history, trailing only the 1984 pennant winners who began the season at 10-2. Mark Langston and four relievers combined on an eight-hitter, with the victory going to Brian Boehringer (1-0).

Astros 3, Giants 1 Sean Bergman (1-1) allowed one run and eight hits in six innings, and Derek Bell doubled and homered.

C.J. Nitkowski followed Bergman with three perfect innings for his first career save as visiting Houston won for the fourth time in five games.

Twins, Slugging Like 20, Batter Blue Jays, 13-2

The Associated Press

They have 48 hits and 41 runs in their last four games and 41 runs in two three-run home runs in the same game.

No, not the Seattle Mariners or the Cleveland Indians. It's the Minnesota Twins, who have spent the week kicking sand in the faces of all those who scoffed at their lineup entering the season.

Orlando Merced led the latest outburst Thursday night, matching a career high with five runs batted in during a 13-2 victory over his former team, the Toronto Blue Jays.

Add it all up and the Twins are the second-highest scoring team in the American League behind the Mariners.

All that offense made it an easy night for Brad Radke, who needed one after struggling with a cold in recent days and with his control in his first outing last Friday.

Radke (1-1) allowed two runs on six hits in seven innings. He had no trouble protecting a 7-0 lead.

Radke's outing, combined with Mike Trombley's two sco-

reless innings of relief, lowered Minnesota's team ERA to 3.38, second-best in the league to Baltimore's 2.75.

Orioles 2, Royals 1 For Baltimore it was an easy formula: Turning two five times meant seven straight.

The Orioles tied a club record with five double plays and won their seventh consecutive game with a 2-1 victory over the host Kansas City Royals.

Jimmy Key (1-0) allowed one run and six hits in seven innings and Armando Benitez pitched the ninth for his second save.

The Royals wasted a nice outing by Pat Rapp, who gave up one run and three hits in seven inn-

ings.

Baltimore's Cal Ripken homered in the seventh inning to tie the game, 1-1. The shot moved him past Lou Gehrig for 45th on the career hits list with 2,721.

Lee Stevens hit a two-run homer and drove in three runs and Juan Gonzalez added a two-run double to back Selig, making his 110th career start. He struck out five and walked four.

James Baldwin (1-1) gave up seven runs — five earned — five hits and six walks in five inn-

ings.

• Tampa Bay at Detroit was postponed by rain.

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German Poll Backs A Grand Coalition

BONN — If the opposition Social Democrats win the September elections, more Germans would prefer a grand coalition between them and their conservative party than would like the Social Democrats to govern with the environmentalists Greens, a survey indicates.

It showed that 35 percent favor a coalition of the left-wing Social Democratic Union and Christian Democratic Union. About 40 percent said they would favor the Greens, and 22 percent said they would rather the Social Democrats join with the pro-market Democrats.

In a separate survey, they found that the Social Democrats were leading the Christian Democratic Union and Christian Social Union, 45 percent to 35 percent, one-percentage-point drop, a week for Social Democrats' one-point gain for the government parties, with support for the Greens unchanged at 6 percent, and the Democrats at 5 percent.

Cavaliers 91, Bulls 85 Chicago, which has an NBA-best 59-18 record, blew a chance to clinch the top record in the

Surprise! Nuggets Win and Bulls Lose

The Associated Press
It was a noteworthy night for the National Basketball Association's best and worst teams.

The Denver Nuggets avoided any chance of finishing with the worst record in league history by beating

NBA ROUNDUP

the Sacramento Kings, 128-103, on Thursday night for their 10th victory of the season.

While the Nuggets got a rare victory, the Chicago Bulls went down to a rare defeat. The Cleveland Cavaliers snapped the Bulls' winning streak at 13.

With five games remaining, the Nuggets (10-6) are assured of finishing with at least one more victory than the 1972-1973 Philadelphia 76ers, who ended the season at 9-73.

"It hasn't sunk in yet, but I'm sure it's a relief," said Denver's coach, Bill Hanzlik. "With the way this season has been, we'll probably be called for running an illegal play and have to forfeit the game."

LaPhonso Ellis had 26 points and 15 rebounds, and Cory Alexander added 23 points and 11 assists for Denver, which got a standing ovation from the crowd of 11,000.

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